

# **MINUTES**

## **STATE MINERAL AND ENERGY BOARD**

### **REGULAR MEETING AND LEASE SALE**

**OCTOBER 12, 2011**

A Regular Meeting and Lease Sale of the State Mineral and Energy Board was held on Wednesday, October 12, 2011, beginning at 11:05 a.m. in the La Belle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

Mr. W. Paul Segura, Jr., acting as Chairman, called the meeting to order. He then requested Ms. Stacey Talley, Deputy Assistant Secretary, to call the roll for the purpose of establishing a quorum.

W. Paul Segura, Jr., Vice-Chairman  
Thomas L. Arnold, Jr.  
Emile B. Cordaro  
John C. "Juba" Diez  
Bay E. Ingram  
Robert "Michael" Morton  
Thomas W. Sanders  
Darryl D. Smith

The following members of the Board were recorded as absent:

Scott A. Angelle, Chairman  
Helen G. Smith  
Garret Graves (Governor Jindal's designee to the Board)

Ms. Talley announced that eight (8) members of the Board were present and that a quorum was established.

Also recorded as present were:

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

The Chairman then stated that the next order of business was the approval of the September 14, 2011 Minutes. A motion was made by Mr. Arnold to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Mr. Sanders and unanimously adopted by the Board. (No public comment was made at this time.)

The Chairman then stated that the next order of business would be the adoption of the Committee recommendations:

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the recommendations of the Lease Review Committee regarding its report were unanimously adopted by resolutions of the Board. (No public comment was made at this time.)

Upon motion of Mr. Arnold, seconded by Mr. Diez, the recommendations of the Nomination & Tract Committee regarding its report were unanimously adopted by resolutions of the Board. (No public comment was made at this time.)

At this time, the Chairman asked if there was any public comment concerning the Audit Committee and Mr. Pat Theophilus came forward and addressed the Board with regard to Item No. 2 of the Audit Committee agenda concerning Petrohawk Energy, LLC being placed on demand for unpaid audit exceptions.

Pat Theophilus: For the record, my name is Pat Theophilus, owner/president of Theophilus Oil, Gas & Land Services, LLC. I am here on behalf of Petrohawk Energy, LLC representing them as far as this audit issue. To be honest with you, this is the first I had heard about it. Petrohawk has been a client of mine for quite some time and has been very, very successful and faithful to the state of Louisiana. We have really worked truly our hardest with the staff who has done an outstanding job as well. When this first was brought to my attention, I immediately went outside and made a phone call to my contact person who had no idea whatsoever as to what was going on and asked that I please speak up on their behalf. In doing so, I spoke with Rachel. Rachel has spoken to my contact person as well and I can assure you that this is being addressed as I speak right now and matters will be taken care of immediately. At this time, I would like to turn it over to Rachel.

Rachel Newman: I did speak with John Walsh, a representative from Petrohawk. He assured me that they are going to do everything they can to resolve the audit issues. In the meantime, I did explain to him that the demand will stand. He will receive his letter in the mail along with a copy of the resolution stating such but that in the meantime we are more than happy to work with him to resolve the issues and avoid any possible litigation or anything like that. So I did receive word from him that they are very eager to resolve everything.

Upon motion of Mr. Arnold, seconded by Mr. Morton, the recommendations of the Audit Committee regarding its report were unanimously adopted by resolutions of the Board.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, the recommendations of the Legal & Title Controversy Committee regarding its report were unanimously adopted by resolutions of the Board. (No public comment was made at this time.)

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the recommendations of the Docket Review Committee regarding its report were unanimously adopted by resolutions of the Board. (No public comment was made at this time.)

**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 11:10 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. Sanders, seconded by Mr. Cordaro, and unanimously adopted by the Board.

During the technical briefing, the Board conferred with staff personnel concerning the merit of the bids that were submitted and opened earlier today at a public meeting\*, based on geological, engineering and other confidential data and analyses available to the Board and staff, after which, upon motion of Mr. Sanders, seconded by Mr. Arnold, and unanimously adopted by the Board, the Board reconvened in open session at 11:20 a.m.

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

The Chairman then stated that the next order of business was the awarding of the leases. Based upon recommendations announced by Mr. Victor Vaughn, the following action was then taken by the Board. Leases awarded were conditioned on tract descriptions being accurate, overlapped prior leases being subtracted from acreage bid on, acreage amount being verified and agreed between bidder and state and portion bids verified as being located within advertised boundary of tracts. (No public comment was made at this time.)

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42307 to Encana Oil & Gas (USA) Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42308 to Matador Resources Company.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42309 to Bellard & Company, INC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42310 to HEP Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 42314, said portion being 589.0 acres more particularly described in said bid and outlined on accompanying plat, to PetroQuest Energy, L.L.C.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 42322, said portion being 128.44 acres more particularly described in said bid and outlined on accompanying plat, to Gulf Explorer, LLC. As to the portion bid by Westgrove Energy Holdings, LLC on Tract 42322, it was recommended that the bid be rejected for insufficient consideration and the remaining acreage be re-advertised with minimums.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 42324, said portion being 182.43 acres more particularly described in said bid and outlined on accompanying plat, to Gulf Explorer, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on another portion of Tract 42324, said portion being 35.57 acres more particularly described in said bid and outlined on accompanying plat, to Gulf Explorer, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42327 to Petrohood Corporation.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42328 to Petrohood Corporation.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42329 to Petrohood Corporation.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42330 to Monitor Energy Partners, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42331 to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42332 to Schoeffler Energy Group, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42333 to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42334 to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42335 to Theophilus Oil, Gas & Land Services, LLC.

This concluded the awarding of the leases.

The following announcements were then made:

Ms. Talley stated that the results of today's Lease Sale in total bonuses was \$2,715,376.54 which brought the fiscal year-to-date total to approximately \$10.6 million dollars.

At this time, the Chairman stated that the quarterly Mineral Revenue and Production Report was being provided to the members for their information and review. **(The report is hereby attached and made a part of the Minutes by reference.)**

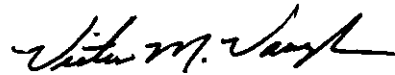
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Mr. Cordaro commended the staff for a job well done with regard to the Oil and Gas Seminar held in August in New Orleans.

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Arnold, seconded by Mr. Sanders, the meeting was adjourned at 11:23 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Victor M. Vaughn". The signature is fluid and cursive, with a prominent initial "V" and a long, sweeping underline.

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 OCTOBER 12, 2011 MINUTES  
BY REFERENCE**

A public meeting for the purpose of opening sealed bids was held on Wednesday, October 12, 2011, beginning at 8:35 a.m. in the La Belle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Recorded as present were:

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

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

October 12, 2011

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. 42297 through 42335, have been advertised in accordance with and under the provisions of Chapter 2, Title 30 of the Revised Statutes of 1950, as amended.

Yours very truly,

(Original signed)

Frederick D. Heck  
Director  
Petroleum Lands Division



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

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

The following bids were then opened and read aloud to the assembled public by Ms. April Duhe.

OFFSHORE TRACTS

Tract 42297

No Bids

Tract 42298

No Bids

Tract 42299

No Bids

Tract 42300

No Bids

Tract 42301

No Bids

Tract 42302

No Bids

Tract 42303

No Bids

Tract 42304

No Bids

Tract 42305

No Bids

Tract 42306

No Bids

INLAND TRACTS

Tract 42307

|                          |   |                             |
|--------------------------|---|-----------------------------|
| Bidder                   | : | Encana Oil & Gas (USA) Inc. |
| Primary Term             | : | Three (3) years             |
| Cash Payment             | : | \$30,548.55                 |
| Annual Rental            | : | \$15,274.28                 |
| Royalties                | : | 25.00% on oil and gas       |
|                          | : | 25.00% on other minerals    |
| Additional Consideration | : | None                        |

Tract 42308

|                          |   |                           |
|--------------------------|---|---------------------------|
| Bidder                   | : | Matador Resources Company |
| Primary Term             | : | Three (3) years           |
| Cash Payment             | : | \$41,580.00               |
| Annual Rental            | : | \$20,790.00               |
| Royalties                | : | 25% on oil and gas        |
|                          | : | 25% on other minerals     |
| Additional Consideration | : | None                      |

Tract 42308

|                          |   |                             |
|--------------------------|---|-----------------------------|
| Bidder                   | : | Encana Oil & Gas (USA) Inc. |
| Primary Term             | : | Three (3) years             |
| Cash Payment             | : | \$22,402.27                 |
| Annual Rental            | : | \$11,201.14                 |
| Royalties                | : | 25.00% on oil and gas       |
|                          | : | 25.00% on other minerals    |
| Additional Consideration | : | None                        |

Tract 42309

|                          |   |                         |
|--------------------------|---|-------------------------|
| Bidder                   | : | Bellard & Company, INC. |
| Primary Term             | : | Three (3) years         |
| Cash Payment             | : | \$9,614.00              |
| Annual Rental            | : | \$4,807.00              |
| Royalties                | : | 25.5% on oil and gas    |
|                          | : | 25.5% on other minerals |
| Additional Consideration | : | None                    |

## Tract 42309

|                          |   |                               |
|--------------------------|---|-------------------------------|
| Bidder                   | : | Arceneaux Land Services, Inc. |
| Primary Term             | : | Three (3) years               |
| Cash Payment             | : | \$11,514.00                   |
| Annual Rental            | : | \$5,757.00                    |
| Royalties                | : | 22.5% on oil and gas          |
|                          | : | 22.5% on other minerals       |
| Additional Consideration | : | None                          |

## Tract 42310

|                          |   |                       |
|--------------------------|---|-----------------------|
| Bidder                   | : | HEP Energy, Inc.      |
| Primary Term             | : | Three (3) years       |
| Cash Payment             | : | \$4,743.00            |
| Annual Rental            | : | \$4,743.00            |
| Royalties                | : | 25% on oil and gas    |
|                          | : | 25% on other minerals |
| Additional Consideration | : | None                  |

## Tract 42311

No Bids

## Tract 42312

No Bids

## Tract 42313

No Bids

Tract 42314  
(Portion – 589.0 acres)

|                          |   |                           |
|--------------------------|---|---------------------------|
| Bidder                   | : | PetroQuest Energy, L.L.C. |
| Primary Term             | : | Three (3) years           |
| Cash Payment             | : | \$593,712.00              |
| Annual Rental            | : | \$296,856.00              |
| Royalties                | : | 25% on oil and gas        |
|                          | : | 25% on other minerals     |
| Additional Consideration | : | None                      |

## Tract 42315

No Bids

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Tract 42316

No Bids

Tract 42317

No Bids

Tract 42318

No Bids

Tract 42319

No Bids

Tract 42320

No Bids

Tract 42321

No Bids

Tract 42322  
(Portion – 128.44 acres)

|                          |   |                       |
|--------------------------|---|-----------------------|
| Bidder                   | : | Gulf Explorer, LLC    |
| Primary Term             | : | Three (3) years       |
| Cash Payment             | : | \$32,110.00           |
| Annual Rental            | : | \$16,055.00           |
| Royalties                | : | 22% on oil and gas    |
|                          | : | 22% on other minerals |
| Additional Consideration | : | None                  |

Tract 42322  
(Portion – 316.49 acres)

|                          |   |  |
|--------------------------|---|--|
| Bidder                   | : | Westgrove Energy Holdings, LLC                     |
| Primary Term             | : | Three (3) years                                    |
| Cash Payment             | : | \$81,337.93  |
| Annual Rental            | : | \$40,668.97  |
| Royalties                | : | 20.00% on oil and gas                              |
|                          | : | 20.00% on other minerals                           |
| Additional Consideration | : | 10% Fee-\$8,133.79<br>\$20 per Acre Fee-\$6,329.80 |

Tract 42323

No Bids

Tract 42324  
(Portion – 182.43 acres)

|                          |   |                       |
|--------------------------|---|-----------------------|
| Bidder                   | : | Gulf Explorer, LLC    |
| Primary Term             | : | Three (3) years       |
| Cash Payment             | : | \$45,607.50           |
| Annual Rental            | : | \$22,803.75           |
| Royalties                | : | 22% on oil and gas    |
|                          | : | 22% on other minerals |
| Additional Consideration | : | None                  |

Tract 42324  
(Portion – 35.57 acres)

|                          |   |                       |
|--------------------------|---|-----------------------|
| Bidder                   | : | Gulf Explorer, LLC    |
| Primary Term             | : | Three (3) years       |
| Cash Payment             | : | \$8,892.50            |
| Annual Rental            | : | \$4,446.25            |
| Royalties                | : | 22% on oil and gas    |
|                          | : | 22% on other minerals |
| Additional Consideration | : | None                  |

Tract 42325

No Bids

Tract 42326

No Bids

STATE AGENCY TRACTS

Tract 42327

|                          |   |                       |
|--------------------------|---|-----------------------|
| Bidder                   | : | Petrohood Corporation |
| Primary Term             | : | Three (3) years       |
| Cash Payment             | : | \$32,716.05           |
| Annual Rental            | : | \$16,358.03           |
| Royalties                | : | 20% on oil and gas    |
|                          | : | 20% on other minerals |
| Additional Consideration | : | None                  |

## Tract 42328

|                          |   |                       |
|--------------------------|---|-----------------------|
| Bidder                   | : | Petrohood Corporation |
| Primary Term             | : | Three (3) years       |
| Cash Payment             | : | \$6,741.20            |
| Annual Rental            | : | \$3,370.60            |
| Royalties                | : | 20% on oil and gas    |
|                          | : | 20% on other minerals |
| Additional Consideration | : | None                  |

## Tract 42329

|                          |   |                       |
|--------------------------|---|-----------------------|
| Bidder                   | : | Petrohood Corporation |
| Primary Term             | : | Three (3) years       |
| Cash Payment             | : | \$10,111.80           |
| Annual Rental            | : | \$5,055.90            |
| Royalties                | : | 20% on oil and gas    |
|                          | : | 20% on other minerals |
| Additional Consideration | : | None                  |

## Tract 42330

|                          |   |                               |
|--------------------------|---|-------------------------------|
| Bidder                   | : | Monitor Energy Partners, L.P. |
| Primary Term             | : | Three (3) years               |
| Cash Payment             | : | \$10,025.00                   |
| Annual Rental            | : | \$5,012.50                    |
| Royalties                | : | 23% on oil and gas            |
|                          | : | 23% on other minerals         |
| Additional Consideration | : | None                          |

## SCHOOL INDEMNITY LANDS TRACTS

## Tract 42331

|                          |   |  |
|--------------------------|---|--|
| Bidder                   | : | Theophilus Oil, Gas & Land Services, LLC |
| Primary Term             | : | Three (3) years                          |
| Cash Payment             | : | \$7,338.94                               |
| Annual Rental            | : | \$3,669.47                               |
| Royalties                | : | 20% on oil and gas                       |
|                          | : | 20% on other minerals                    |
| Additional Consideration | : | None                                     |

Tract 42332

|                          |   |                               |
|--------------------------|---|-------------------------------|
| Bidder                   | : | Schoeffler Energy Group, Inc. |
| Primary Term             | : | Three (3) years               |
| Cash Payment             | : | \$7,544.00                    |
| Annual Rental            | : | \$3,772.00                    |
| Royalties                | : | 20% on oil and gas            |
|                          | : | 20% on other minerals         |
| Additional Consideration | : | None                          |

TAX ADJUDICATED LANDS TRACTS

Tract 42333

|                          |   |  |
|--------------------------|---|--|
| Bidder                   | : | Theophilus Oil, Gas & Land Services, LLC |
| Primary Term             | : | Three (3) years                          |
| Cash Payment             | : | \$641,995.47                             |
| Annual Rental            | : | \$320,997.74                             |
| Royalties                | : | 20% on oil and gas                       |
|                          | : | 20% on other minerals                    |
| Additional Consideration | : | None                                     |

Tract 42333

|                          |   |                          |
|--------------------------|---|--------------------------|
| Bidder                   | : | JB Land Services, L.L.C. |
| Primary Term             | : | Three (3) years          |
| Cash Payment             | : | \$224,414.72             |
| Annual Rental            | : | \$112,207.36             |
| Royalties                | : | 18.75% on oil and gas    |
|                          | : | 18.75% on other minerals |
| Additional Consideration | : | None                     |

Tract 42334

|                          |   |  |
|--------------------------|---|--|
| Bidder                   | : | Theophilus Oil, Gas & Land Services, LLC |
| Primary Term             | : | Three (3) years                          |
| Cash Payment             | : | \$673,159.73                             |
| Annual Rental            | : | \$336,579.87                             |
| Royalties                | : | 20% on oil and gas                       |
|                          | : | 20% on other minerals                    |
| Additional Consideration | : | None                                     |

Tract 42334

|                          |   |                          |
|--------------------------|---|--------------------------|
| Bidder                   | : | JB Land Services, L.L.C. |
| Primary Term             | : | Three (3) years          |
| Cash Payment             | : | \$234,319.36             |
| Annual Rental            | : | \$117,159.68             |
| Royalties                | : | 18.75% on oil and gas    |
|                          | : | 18.75% on other minerals |
| Additional Consideration | : | None                     |

Tract 42335

|                          |   |  |
|--------------------------|---|--|
| Bidder                   | : | Theophilus Oil, Gas & Land Services, LLC |
| Primary Term             | : | Three (3) years                          |
| Cash Payment             | : | \$558,936.80                             |
| Annual Rental            | : | \$279,468.40                             |
| Royalties                | : | 20% on oil and gas                       |
|                          | : | 20% on other minerals                    |
| Additional Consideration | : | None                                     |

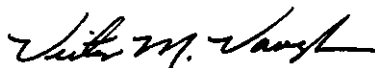
Tract 42335

|                          |   |                          |
|--------------------------|---|--------------------------|
| Bidder                   | : | JB Land Services, L.L.C. |
| Primary Term             | : | Three (3) years          |
| Cash Payment             | : | \$195,040.00             |
| Annual Rental            | : | \$97,520.00              |
| Royalties                | : | 18.75% on oil and gas    |
|                          | : | 18.75% 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





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

A meeting of the Lease Review Committee of the State Mineral and Energy Board convened on Wednesday, October 12, 2011 at 9:37 a.m. with the following members of the board in attendance: Mr. Thomas L. Arnold, Jr., Mr. Emile B. Cordaro, Mr. John C. "Juba" Diez, Mr. Robert "Michael" Morton, Mr. Darryl D. Smith, and Mr. Thomas W. Sanders.

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

**I. Geological and Engineering Staff Review**

According to SONRIS there are 1861 active State Leases covering nearly 830,400 acres. The Geological and Engineering Division has reviewed approximately 155 leases covering 85,500 acres.

**II. Committee Review**

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

The recommendation was to accept the report and that ExxonMobil be granted until January 11, 2012 to provide a report that would include: (1) finalization of the farmout agreement and (2) a general development plan on the farmout acreage to be undertaken by the farmout recipient.

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

No Objection to Hilcorp Energy Company's 29-E Waiver for the VUN;LP U14 Well No. 11, SN 78367, Lake Pelto Field, Terrebonne Parish affecting State Leases 188-B and 20501.

No Objection to JGC Energy Development [USA], Inc.'s 29E Waiver for the SL 2453 No. 1-D Well, SN 68509, Little Lake Field, Jefferson Parish affecting State Lease 2453.

**IV. Report on Force Majeure**

Mr. Charles Bradbury, Petroleum Engineer, requested that the Board recognize a force majeure condition for Century Exploration on unitized portions of State Leases 19051 and 19052 from August 21 to September 16, 2011 caused by rig availability and inability to access the well's location.

Mr. Bradbury also requests that the Board extend force majeure recognition for State Leases 10830, 15074, 17309, 17595 and Operating Agreement A0285 three months for Stone Energy to the January 11, 2012 Board Meeting to permit Stone Energy time to complete negotiations and connect to the pipeline.


Updated 9/29/11

| Company Name  | Lease Numbers                     |
|---|-----------------------------------|
| Leases Off Production Due to Non-storm Related Force Majeure Events |                                   |
| IG Petroleum  | A0232                             |
| Harvest   | A0311                             |
| Stone Energy  | 10830, 15074, 17309, 17595, A0285 |
| Century   | 19051, 19052                      |
| Leases affected by Flooding   |                                   |
| Hilcorp   | 2024                              |

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

On motion by Mr. Sanders, seconded by Mr. Diez, the Committee moved to adjourn its October 12, 2011 meeting at 9:38 a.m.

Respectfully submitted,



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

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

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### LEASE REVIEW COMMITTEE

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

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

**WHEREAS**, a request was made by Century Exploration New Orleans, LLC. (herein Century) to recognize that a force majeure condition exists for State Leases 19051 and 19052 in Plaquemines Parish, Louisiana due to their inability to secure a drilling rig in time to recommence drilling operations on a unit affecting the leases prior to the leases' critical date of August 21, 2011;

**WHEREAS**, State Leases 19051 and 19052 include a "Force Majeure" provision which allows the Operator to maintain these leases without complying with the actual drilling or reworking operations or by actual production requirements for as long as the force majeure is in effect;

**WHEREAS**, Century was able to secure a drilling rig and re-establish downhole drilling operations by September 16, 2011 on the unit well affecting for State Leases 19051 and 19052 in Plaquemines Parish, Louisiana and is currently maintaining the leases via continuous downhole operations;

**WHEREAS**, David Seay submitted a notarized affidavit on behalf of Century, which stated that the activities and/or fortuitous events which caused the force majeure was beyond the control, not the cause, and/or due to said company and/or business entity's negligence or intentional commission or omission;

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

**NOW THEREFORE BE IT RESOLVED** that the Louisiana State Mineral and Energy Board, in consideration of the facts stated herein, by these present does hereby recognize and acknowledge the force majeure event from August 21, 2011 through September 16, 2011, due the inability to secure the drilling rig to perform the necessary drilling operations to maintain State Leases 19051 and 19052, Plaquemines Parish, Louisiana. The Board extends the lease critical date of August 21, 2011 by 26 days until September 16, 2011. At which time Century will return to complying with the normal language in the leases concerning continuing operations and production. Furthermore, the Board requires that Century in a due diligent manner, mitigate, or negate the effect of said activities which caused the force majeure.

### CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge Louisiana, on the 12<sup>th</sup> day of October, 2011, 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

### LEASE REVIEW COMMITTEE

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

**WHEREAS**, pursuant to Louisiana Revised Statute 30:129, the Louisiana State Mineral and Energy Board (the "Board") is the body designated to award and administer mineral leases on lands and water bottoms belonging to the State or the title to which is in the public trust;

**WHEREAS**, Stone Energy made a request to recognize that a force majeure condition exists due to a pipeline leak causing Tennessee Gas to shut-in the gas sales line on January 3, 2011 which services State Leases 10830, 15074, 17309, 17595 and Operating Agreement A0285, Terrebonne Parish, Louisiana;

**WHEREAS**, at the July 13, 2011 meeting, the Board extended recognition of force majeure until the meeting on October 12, 2011;

**WHEREAS**, Stone notified the Board that the conditions of the force majeure had not abated and requested three additional months to restore production to the State Leases and Operating Agreement mentioned herein;

**NOW THEREFORE BE IT RESOLVED** that the Louisiana State Mineral and Energy Board, in consideration of the facts stated herein, by these present does hereby extend recognition of the force majeure event until the January 11, 2012 meeting, or until Stone re-establishes a gas market whichever condition is met at the earliest date. The Board will reserve its rights to review and reconsider whether additional action is necessary concerning the situation at the January 11, 2012 meeting Furthermore, the Board requires that Stone continue in a due diligent manner, mitigate or negate the effect of said activities which caused the force majeure.

### CERTIFICATE

I hereby certify that the above is 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 12<sup>th</sup> day of October, 2011, 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

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: October 7, 2011 6:13 AM

District Code 1 New Orleans- East

Get Review Date October 12, 2011

| Lease Num | DA | Field                     | Latest lease Activity                    | Productive Acreage | Present Acreage | Flagged for Review In   |
|-----------|----|---------------------------|--|--------------------|-----------------|---|
| 00195C    |    | QUARANTINE BAY            | QB 3 RB SU                               | 7200               | 15357           | OCT. JMB: W, 9/14/11 SN 242846 COMP'D 08/16/11 COX HAS 6 MOS FROM DATE OF COMPLETION TO RESPOND   |
| 00195C    |    | QUARANTINE BAY, SOUTH     | QB 3 RB SU                               | 7200               | 15357           | OCT. JMB: W, 9/14/11 SN 242846 COMP'D 08/16/11 COX HAS 6 MOS FROM DATE OF COMPLETION TO RESPOND   |
| 01732     |    | POINTE A LA HACHE         | VUG;DELACROIX                            | 85                 | 85              | OCT. AR   |
| 06420     |    | QUARANTINE BAY            | 137.94<br>08/19/2009                     | 94.82              | 94.82           | OCT. AR THIS IS A B LEASE (WORKING INTEREST ONLY) PER GREG D.   |
| 06618     |    | CHANDELEUR SOUND BLOCK 71 | 119.667<br>02/16/2004                    | 50.961             | 50.961          | OCT. AR   |
| 15339     |    | SOUTH PASS BLOCK 6        | 77.212<br>09/03/2003                     | 210.873            | 210.873         | OCT. AR   |
| 16443     |    | BRETON SOUND BLOCK 18     | 136.34<br>05/21/2003                     | 290.66             | 290.66          | OCT. AR   |
| 16799     |    | CHANDELEUR SOUND BLOCK 69 |  | 1031.6             | 1346.95         | OCT. AR   |
| 16823     |    | BRETON SOUND BLOCK 18     |  | 211.89             | 211.89          | OCT. 10/6/11 JMB SHAKY PRD, RECK 6 MOS >< 3/23/11 CK 6 MOS APR. AR  |
| 18011     |    | BRETON SOUND BLOCK 48     |  | 61.01              | 61.01           | OCT. AR 2ND ILR TO 3/11/12  |
| 19079     |    | BRETON SOUND BLOCK 45     | SL 17689<br>05/09/2007                   | 85.53              | 331.83          | OCT. SUGGEST AR 9/2/11 RCD UNOFL PR OF 246.30, RTNG 85.53 FINAL DD 8/9/11 PT 8/9/09   |
| 19080     |    | BRETON SOUND BLOCK 53     | TEX W-CRIS I VUA;SL 19050<br>07/08/2009  | 20.17              | 107.36          | OCT. SUGGEST AR 9/2/11 RCD UNOFL PR OF 87.19, RTNG 20.17, RQD 8/22/11 FINAL DD 8/9/11 PT 8/9/09   |
| 19445     |    | MAIN PASS BLOCK 49        | VUA;SL 19445<br>04/14/2010               | 64.99              | 64.99           | OCT. AR 9/21/11 JMB - RECOMPLETED 241050 WELL 8/5/11  |
| 19446     |    | MAIN PASS BLOCK 49        | VUA;SL 19445<br>04/14/2010               | 51.75              | 51.75           | OCT. AR   |
| 19706     |    |                           |  | 0                  | 188             | OCT 9/21/11 JMB - DRILLED A WELL-WOC CK SN 243180 6/18/11 RR WOCR< 5/20/11SPUD PT 6/11/11   |
| 19718     |    |                           |  | 0                  | 425.25          | OCT. 9/9/11 SB: 2011 RNTL PD PT 7/9/13  |
| 19742     |    | GARDEN ISLAND BAY         | HA RA SUJ;ROGERS ETAL 10 H<br>02/09/2011 | 171                | 171             | OCT. 9/21/11 JMB - DRILLED & COMPLETED VUA WELL-LEASE IS 100% PROD. 7/19/11 RS JMB: LEASE NOT EXP- SPUD SN 242418 VUA PT 7/9/11 PASS-A-LOUTRE |
| 19743     |    | GARDEN ISLAND BAY         | 242418-VUA;SL 19742-                     | 124                | 124             | OCT. 9/21/11 JMB - DRILLED &  |

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| Lease Num | DA | Field              | Latest lease Activity | Productive Acreage | Present Acreage | Flagged for Review In   |
|-----------|----|--------------------|-----------------------|--------------------|-----------------|---|
|           |    |                    | 001<br>05/22/2011     |                    |                 | COMPLETED VUA WELL-LEASE IS 100% PROD. 7/19/11 RS JMB: LEASE NOT EXP- SPUD SN 242418 VUA PT 7/9/11 PASS-A-LOUTRE  |
| 20103     |    | MAIN PASS BLOCK 35 |                       | 40                 | 40              | OCT. REL RQD 9-29-11 9/29/11 RS JMB: APP EXP, LAST PRD 4/11.  |
| 20103     |    | MAIN PASS BLOCK 35 |                       | 40                 | 40              | APR. CK PRD, IF PRDG, SUGGEST AR OCT. PT 7/8/10 *1YR PT; 9/21/10 CCB:CO RPTD LEASES ON PRD 7/10 *AC: ATTEMPT TO REACTIVATE SN 227578, OR PAY \$4,000 BY 7/8/10. |

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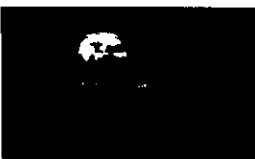
**Staff Reviews**

Report run on: October 7, 2011 6:13 AM

District Code 1W New Orleans- West

Get Review Date October 12, 2011

| Lease Num | DA | Field   | Latest lease Activity                                  | Productive Acreage | Present Acreage | Flagged for Review In   |
|-----------|----|---|--|--------------------|-----------------|---|
| 00378     |    | GOLDEN MEADOW   | 243213-LL&E GOLDEN MEADOW-242<br>07/31/2011            | 1732               | 2616            | OCT. AR 9/7/11 SRVY PLAT RQD 235506; 614967   |
| 01010     |    | SOUTH PASS BLOCK 27 , WEST DELTA BLOCK 83   | N2 RJ SUA;SL 1010<br>04/24/2001<br>303-R-7 01-344      | 26.27              | 26.27           | OCT. AR   |
| 01012     |    | PASS WILSON , SOUTH PASS BLOCK 27 , STUARDS BLUFF   | 217605-SL 1012-322<br>01/19/1995                       | 1819.16            | 1819.16         | OCT. AR   |
| 01388     |    | SOUTH PASS BLOCK 24 , SOUTH PASS BLOCK 24 OFFSHORE(8453 7/97                                  | ST O'BRIEN UC<br>227-YY-2                              | 1619               | 1619            | OCT. AR   |
| 01924     |    | SOUTH PASS BLOCK 24 , SOUTH PASS BLOCK 24 OFFSHORE(8453 7/97                                  | ST O'BRIEN UC<br>227-YY-2                              | 601                | 601             | OCT. AR   |
| 02102     |    | BAYOU SORREL  | 222447-CIB H2 RB SUA;SL 2102-001-ALT<br>08/17/1998     | 15.875             | 143             | OCT. AR 10/6/11 REBUILT - WILL SEND FU TO OTHERE WIOS 10/6/11 RQD STATUS OF PR 8/6/10 RCD PETROQUEST UNOFL PR RTNG 15.875 |
| 02227     |    | BURRWOOD , SOUTH PASS BLOCK 24 , SOUTH PASS BLOCK 24 OFFSHORE(8453 7/97 , WEST DELTA BLOCK 83 | 8000 (S) RH SUH;SL 978<br>227-A-2 98-781               | 300                | 870             | OCT. AR   |
| 02383     |    | LITTLE LAKE   | L TP 6 RA SUA;SL 19864<br>12/16/2008<br>604-T          | 92                 | 980             | OCT. 8/23/11 JGC STATUS UPDATE REC'D.   |
| 02565     |    | BURRWOOD  | BURR T RA SU 11/16/2010<br>850-B 10-1187               | 322.997            | 1500            | OCT. AR   |
| 02566     |    | BURRWOOD  | BURR T RA SU 11/16/2010<br>850-B 10-1187               | 965                | 965             | OCT. AR   |
| 03263     |    | WEST BAY  | WB 5B RA SU 07/01/1991                                 | 115                | 115             | OCT. AR/TC  |
| 04534     |    | LAKE RACCOURCI  | LR SP 7 RA SU 02/19/2008<br>175-H-1 08-239             | 500                | 679.81          | OCT. AR   |
| 17266     |    | LAKE WASHINGTON   | 241764-4400 RA SUA;SL 17266-025-ALT<br>08/16/2010      | 101                | 101             | OCT. AR   |
| 17935     |    | WEST DELTA BLOCK 53   |  | 160                | 160             | OCT. AR   |
| 18637     |    | BAY MARCHAND BLOCK 2 OFFSHORE   | U 4525 RJ SUA;SL 1367<br>10/12/2010<br>184-RRR 10-1050 | 160                | 1603.93         | APR. RCD 2/7/11 CHVN LTR 9-9-10 LTR NOT NECESSARY PER GREG D- ASKING FOR A UNIT CK IN 6 MOS FOR UNIT PT 6/8/10            |
| 18668     |    | SATURDAY ISLAND   | VUA;SL 18669<br>05/14/2008                             | 596.419            | 660.13          | OCT. 10/20/10<br>C.SLEDGE@SWIFT WORKING ON PR, SUGGEST AR UPON RCT OF PR FINAL DD TO 7/13/10 PT 7/13/08                   |



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Staff Reviews

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Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Rows include lease details for SATURDAY ISLAND, LAKE WASHINGTON, and LAKE SALVADOR.



Louisiana Department of Natural Resources (DNR)

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| Lease Num | DA | Field       | Latest lease Activity                                     | Productive Acreage | Present Acreage | Flagged for Review In   |
|-----------|----|-------------|---|--------------------|-----------------|---|
| 19778     |    | LEEVILLE    | CIB C RA SUA;LL&E<br>07/01/2011<br>617-JJ                 | 4.378              | 12              | OCT. SUGGEST AR 9/7/11 RCD UNOFL PR OF 7.622, RTNG 4.378 AC PR RQD 8/22/11 8/18/11 RS JPT; 4.378 AC HELD, REMAINDER EXP PT 8/13/11 8/8/11 STEVE REVISION TRNSMTL 613265 238466: SL CHANGED. MANTI OPTG FILED TO DESIGNATE WELL AS SUBSTITUTE UNIT WELL. |
| 20096     |    |             |   | 0                  | 183             | OCT. 8/29/11 JJ: 2011 RNTL PD PT 7/8/12   |
| 20097     |    |             |   | 0                  | 427             | OCT. 8/29/11 JJ: 2011 RNTL PD PT 7/8/12   |
| 20102     |    | LITTLE LAKE | TP 1-2 RB SUA;SL<br>19908<br>04/01/2011<br>604-R-3 11-214 | 6.43               | 97              | OCT. 8/29/11 JJ: 2011 RNTL PD PT 7/8/12 8/25/11 STEVE: NEW TRNSMTL 191762 050756 TP 1-2 RS SUA;SL 19908   |
| 20110     |    | IRENE       | TUSC RA SUA;ACME<br>BRICK<br>07/21/2009<br>1047-G         | 2.547              | 2.547           | OCT. 9/29/11 SSB 616061 PRD & \$ 7/11 PT 7/8/12   |
| 20379     |    |             |   | 0                  | 461             | OCT. PT 7/14/13   |

Louisiana Department of Natural Resources (DNR)

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| District Code   |    | 2 Lafayette      |  |                    |                 |  |
|-----------------|----|------------------|--|--------------------|-----------------|--|
| Get Review Date |    | October 12, 2011 |  |                    |                 |  |
| Lease Num       | DA | Field            | Latest lease Activity                                      | Productive Acreage | Present Acreage | Flagged for Review In  |
| 00188A          | 1  | CAILLOU ISLAND   | SL 188 U2  | 3                  | 47              | OCT. AR 9/27/11 JJ: 163474 PRD 6/11, ROY 6/11  |
| 00188A          | 0  | CAILLOU ISLAND   | SL 188 U2  | 4478               | 7640            | OCT. AR 9/27/11 JJ: 163474 214308 PRD 6/11, ROY 6/11 7/7/11 REID: NEW TRNSMTL 173327 050703        |
| 00199B          | 0  | LAKE BARRE       | VU26;LB U26  | 7870               | 7870            | OCT. AR 9/27/11 JJ: 155503 PRD 6/11, ROY 6/11 8/17/11 SRVY PLAT RQD HLCP; E-4 RA SU A SAND; 050683 |
| 00301B          | 0  | LAKE BARRE       | 400.47<br>10/14/2010                                       | 0                  | 401.99          | OCT. STAFF REVIEW 9/27/11 JJ: 223646 528338 PRD 6/11 ROY 6/11                                      |
| 00329A          |    | BAYOU SALE       | VUC;SL 329 SMPL U1   | 820                | 820             | OCT. AR 9/27/11 JJ: 190232 PRD 6/11, ROY 6/11  |
| 00711           |    | DUCK LAKE        | DL D-1 SU  | 405                | 658             | OCT. AR 9/27/11 JJ: 38617 PRD 5/11, ROY 6/11   |
| 01021           |    | CAILLOU ISLAND   | L 14000 RB SUA;SL<br>1249<br>02/26/2008<br>411-SSSS 08-246 | 200                | 480             | OCT. AR 9/29/11 RS JPT: APP EXP  |
| 01247           |    | CAILLOU ISLAND   | W1-W2 RA SUA;SL<br>1247<br>11/30/2010<br>411-YYYY 10-1261  | 1750               | 1886            | OCT AR 9/27/11 JJ: 616652 PRD 6/11 ROY 6/11 4/4/11 REID: NEW TRNSMTL 129022 616642 W/ 1168.048     |
| 01249           | 2  | CAILLOU ISLAND   | U-W1 RA SUA;SL 2856<br>02/26/2009<br>411-UUUU 09-204       | 542.4              | 542.4           | OCT. AR 9/27/11 JJ: 216541 612261 PRD 6/11 ROY 6/11  |
| 01249           | 0  | CAILLOU ISLAND   | U-W1 RA SUA;SL 2856<br>02/26/2009<br>411-UUUU 09-204       | 1043               | 3134.586        | OCT. AR 9/27/11 JJ: 218682 612246 PRD 6/11 ROY 6/11  |
| 02366           |    | BELLE ISLE       | L RA SUA;SL 340<br>08/04/2009<br>576-K-2 09-843            | 302                | 302             | OCT. AR 9/30/11 SSB: 615761 PRD 7/11 ROY 7/11  |
| 02585           |    | BELLE ISLE       | BI N VUA COMP<br>ALLOW<br>07/01/1976                       | 812                | 812             | OCT. AR 9/29/11 JJ: 700800 PRD 6/11 ROY 7/11   |
| 02703           |    | CAILLOU ISLAND   | 12000 RA SUA;SL 188<br>10/22/2008<br>411-TTTT              | 220                | 773             | OCT. AR 9/29/11 JJ: 138729 302465 PRD 6/11 ROY 6/11  |
| 02826           |    | CAILLOU ISLAND   |  | 740                | 1549.1          | OCT. AR 9/29/11 JJ: 66009 504394 PRD 6/11 ROY 6/11   |
| 02986           | 2  | CAILLOU ISLAND   | 241<br>03/22/2002  | 125.82             | 125.82          | OCT. AR 9/29/11 JJ: 302460 PRD 7/11 ROY 6/11   |
| 02986           | 0  | CAILLOU ISLAND   | 241<br>03/22/2002  | 533                | 533             | OCT. AR 9/29/11 JJ: 302460 PRD 7/11 ROY 6/11   |
| 03090           |    | CAILLOU ISLAND   |  | 700                | 901.92          | OCT. AR 9/29/11 JJ: 137555 302469 PRD 6/11 ROY 6/11  |
| 03184           |    | BELLE ISLE       | L RA SUA;SL 340<br>08/04/2009<br>576-K-2 09-843            | 119                | 119             | OCT. AR 9/29/11 JJ: 238584 700800 PRD 6/11 ROY 6/11  |

Louisiana Department of Natural Resources (DNR)

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**Staff Reviews**

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District Code 2 Lafayette  
Get Review Date October 12, 2011

| Lease Num | DA | Field                  | Latest lease Activity   | Productive Acreage | Present Acreage | Flagged-for Review In   |
|-----------|----|------------------------|---|--------------------|-----------------|---|
| 03185     |    | BELLE ISLE             | L RA SUA;SL 340<br>08/04/2009<br>576-K-2 09-843               | 175                | 175             | OCT. AR 9/29/11 JJ: 240821<br>615761 PRD 7/11 ROY 6/11  |
| 03586     |    | BELLE ISLE             | L RA SUA;SL 340<br>08/04/2009<br>576-K-2 09-843               | 204                | 204             | OCT. AR 9/29/11 JJ: 238584<br>600800 PRD 6/11 ROY 6/11  |
| 03909     |    | BELLE ISLE             | L RA SUA;SL 340<br>08/04/2009<br>576-K-2 09-843               | 524                | 524             | OCT. AR   |
| 10830     |    | SHIP SHOAL BLOCK 66    | 59 985<br>11/06/2009  | 67.13              | 67.13           | OCT. LRC/SMEB FM<br>EXTENSION EFF 10/12/11 TO<br>1/12/12 JAN. AR  |
| 15074     |    | SOUTH PELTO BLOCK 1    |   | 160                | 333.03          | OCT. LRC/SMEB FM<br>EXTENSION EFF 10/12/11 TO<br>1/12/12 JUL. AR  |
| 16244     |    | PASS WILSON            | 9300 RA VUA;SL 3403   | 24.732             | 24.732          | OCT. AR 9/29/11 JJ: 80240<br>048953 PRD 6/11 ROY 6/11   |
| 17174     |    | LAKE DE CADE, EAST     |   | 240                | 445.14          | OCT. AR 9/29/11 JJ: 226627<br>304450 PRD 7/11 ROY 6/11  |
| 17309     |    | SHIP SHOAL BLOCK 67    |   | 279.97             | 279.97          | OCT. LRC/SMEB FM<br>EXTENSION EFF 10/12/11 TO<br>1/12/12 DEC. AR  |
| 17595     |    | SHIP SHOAL BLOCK 66    | SL 10830<br>03/15/2005  | 68.87              | 68.87           | OCT. LRC/SMEB FM<br>EXTENSION EFF 10/12/11 TO<br>1/12/12 JAN. AR  |
| 17647     |    | PATTERSON              | 40.118<br>02/01/2008  | 19.882             | 19.882          | OCT. 9/7/11 SRVY PLAT RQD<br>228414; 304996   |
| 18640     |    | EUGENE ISLAND BLOCK 10 | VUB;SL 19266<br>06/11/2008                                    | 474.53             | 474.53          | OCT. AR 9/9/11 SSB: HBP<br>FROM LEASE & UNIT PRD  |
| 19433     |    |                        |   | 0                  | 209.72          | OCT. 9/9/11 SB: 2011 RNTL PD<br>PT 7/11/12  |
| 19475     |    | BAY ST ELAINE          | 7.974<br>10/20/2009   | 2.026              | 2.026           | OCT. AR 9/9/11SSB: HBP<br>615618 TO 6/11  |
| 19719     |    |                        |   | 0                  | 359             | OCT. 9/6/11 RENTAL PAID PT<br>7/9/13  |
| 19720     |    |                        |   | 250                | 418.62          | OCT. 1ST ILR PD TO 1/9/12 PT<br>7/9/13 (SIPMT MAY BE DUE ON<br>242401 PER CCB 4/19/11)                                  |
| 19721     |    |                        |   | 0                  | 320             | OCT. 9/6/11 JJ: RNTL PD PT<br>7/9/13  |
| 19727     |    | DONNER                 | ROBU L RC<br>SUA;COUGET ETAL<br>11/13/2008<br>641-A-3 08-1751 | 3.81               | 5               | OCT. SUGGEST AR UPON RCT<br>OF PR 9/13/11 RS TO REID:<br>1 246 PR NEEDED 3.81 HBP<br>240033 050530 TO 7/11 PT<br>7/9/11 |
| 19746     |    | EUGENE ISLAND BLOCK 7  | CIB OP G VUA;SL<br>19731<br>05/12/2010                        | 42.41              | 42.41           | OCT. SUGGEST AR PT 7/9/11<br>ILR PD 9/16/11 TO 3/16/12  |
| 19749     |    | SHIP SHOAL BLOCK 66    | H-2 RA VUA;OA A0312<br>04/14/2010                             | 68.057             | 525.47          | OCT SUGGEST AR 9/8/11 RCD<br>UNOFL PR OF 457.413, RTNG  |

Louisiana Department of Natural Resources (DNR)

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District Code 2 Lafayette

Get Review Date October 12, 2011

| Lease Num | DA | Field        | Latest lease Activity | Productive Acreage | Present Acreage | Flagged for Review In   |
|-----------|----|--------------|-----------------------|--------------------|-----------------|---|
| 20088     |    |              |                       | 0                  | 1359.78         | 68.057 DD 8/13/12 PT 8/13/11 OFFSHORE LEASE, 3 YR PT<br>OCT. JJ 9/6/11 PAID RENTAL PT 7/8/14                                |
| 20089     |    |              |                       | 0                  | 1659.63         | OCT. JJ 9/6/11 PAID RENTAL PT 7/8/14  |
| 20090     |    |              |                       | 0                  | 36.74           | OCT. JJ 9/6/11 PAID RENTAL PT 7/8/14  |
| 20183     |    | LAKE DE CADE |                       | 160                | 403.55          | OCT. 242874 PRDG =160 PRD AC <PER JPT 8/1/11:CK PRD 242874, SL20183#1 COMP 5/26/11 & NOTIFY MINERAL INCOME FEB. PT 11/12/12 |
| 20378     |    |              |                       | 0                  | 99.77           | OCT. JJ 9/6/11 PAID RENTAL PT 7/14/13   |

Louisiana Department of Natural Resources (DNR)

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District Code 3 Lake Charles- North

Get Review Date October 12, 2011

| Lease Num | DA | Field                           | Latest lease Activity  | Productive Acreage | Present Acreage | Flagged for Review In   |
|-----------|----|---------------------------------|--|--------------------|-----------------|---|
| 00542     |    | LUCKY                           | VUD;NEBO OIL CO  | 120                | 120             | OCT. AR 9/1/11 CKED BY SAM - OK   |
| 02852     |    | ANTIOCH                         | C V PALMER<br>01/09/2001<br>344-E-1 01-05                          | 46                 | 46              | OCT. AR 9/1/11 CKED BY SAM - OK   |
| 03552     |    | LITTLE CREEK , TULLOS URANIA    | 3.802<br>08/21/1991  | 10.307             | 10.307          | OCT. AR 9/1/11 CKED BY SAM - OK   |
| 04596     |    | BLACK LAKE                      | BLKE PZU<br>07/01/1976   | 53                 | 53              | OCT. AR 9/1/11 CKED BY SAM: RECK 6 MOS  |
| 05156     |    | ADA                             | HOSS A RA<br>SUNN;COLE E<br>07/01/1990                             | 31.438             | 34              | OCT. AR 9/1/11 CKED BY SAM - OK   |
| 06760     |    | KINGSTON                        | HA RA SUA;MCCOY<br>BROS LBR CO 5<br>11/18/2008<br>376-D            | 59.54              | 59.54           | OCT. AR 9/1/11 CKED BY SAM - OK   |
| 06964     |    | ATHENS                          | 15.49<br>03/23/1990  | 5.51               | 5.51            | OCT. AR 9/1/11 CKED BY SAM: OK  |
| 09600     |    | REDOAK LAKE                     | U GR RA SUE;HANNA<br>03/01/1982                                    | 35.18              | 35.18           | OCT. AR 9/1/11 CKED BY SAM - OK   |
| 14574     |    | ELM GROVE                       | HA RA SUZ;C M<br>HUTCHINSON 37 H<br>11/13/2008<br>361-L-10         | 8.932              | 8.932           | OCT. AR 9/1/11 CKED BY SAM - OK   |
| 17064     |    | PITKIN                          | AUS C RA SUJ;HUNT<br>FRST PROD 31<br>03/10/1998<br>1412-A-4 98-166 | 34.305             | 34.305          | OCT. AR 9/1/11 CKED BY SAM - OK   |
| 17128     |    | RED RIVER-BULL BAYOU            | HA RB SU72;TRACY 3<br>01/05/2010<br>109-X-74 10-13                 | 14.947             | 14.947          | OCT. AR 8/23/11 SRVY RQD HA RA SU73 242006; 616932  |
| 18353     |    | KINGSTON                        | HA RA SUC;<br>11/18/2008<br>376-D 08-1791                          | 117.05             | 117.05          | OCT. AR 9/1/11 CKED BY SAM - OK   |
| 18370     |    | ELM GROVE                       | HA RA SUGG;TENSAS<br>DELTA A<br>07/08/2008<br>361-L-7 08-959       | 28.503             | 28.503          | OCT. AR 9/29/11 SSB: 605234 611823 615860 PRD & \$ 7/11   |
| 19295     |    | JOHNSON BRANCH                  | HA RA SULL;JPIL<br>BEAIRD 27 H<br>08/19/2009<br>994-D-19 09-906    | 320                | 320             | OCT. AR 9/1/11 CKED BY SAM - OK   |
| 19435     |    | CADDO PINE ISLAND               | CV RE SUC;LIGHT<br>ETAL 13<br>06/26/2007<br>122-M-9 07-685         | 26.05              | 52              | OCT 9/1/11 SAM: RECK 6 MOS 2-7-11 F-U LTR 10/7/10 REL RQD 9/22/10 SAM: NO DDPMT, 26.05 HPB PT 7/11/10 |
| 19831     |    | CASPIANA , RED RIVER-BULL BAYOU | HA RC SUCC;HEWITT<br>10-13-12 H<br>10/27/2009<br>109-X-70 09-1139  | 22.789             | 80              | OCT. 8/23/11 SRVY PLAT RQD HA RC SUGG 241172; 616910  |
| 19841     |    | LOGANSPOUT                      | 81.535<br>03/09/2011   | 68.465             | 68.465          | OCT. 8/23/11 SRVY PLAT RQD HA RA SUDD 241127; 616929  |

Louisiana Department of Natural Resources (DNR)

**SONRIS**

**Staff Reviews**

Report run on: October 7, 2011 6:13 AM

District Code 3 Lake Charles- North

Get Review Date October 12, 2011

| Lease Num | DA | Field                | Latest lease Activity  | Productive Acreage | Present Acreage | Flagged for Review In  |
|-----------|----|----------------------|--|--------------------|-----------------|--|
| 19930     |    |                      |  | 0                  | 105             | OCT. 9/1/11 VUA MTG. PT 12/10/11 11/12/11  |
| 20091     |    | CASPIANA             | HA RA<br>SU125;BROADWAY 29<br>H<br>11/10/2009<br>361-L-66 09-1187  | .929               | .929            | OCT. 9/1/11 CKED BY SAM - OK PT 7/8/12   |
| 20109     |    | CASPIANA             | HA RB SUFF;POOLE<br>ANT 21-15-11H<br>06/23/2009<br>191-H-48 09-647 | 6                  | 6               | OCT. 9/1/11 CKED BY SAM - OK PT 7/8/12 TAX ADJUDICATED.  |
| 20155     |    | RED RIVER-BULL BAYOU | HA RB<br>SU73;FORTSON ETAL<br>4<br>01/05/2010<br>109-X-74 10-13    | 0                  | 1               | OCT. 8/23/11 SRVY RQD HA RA SU73 242006; 616932  |
| 20193     |    |                      |  | 0                  | 6               | OCT. 8/21/11 SRVY PLAT RQD 242570 616957 HA RA SU112   |
| 20372     |    |                      |  | 0                  | 133             | OCT. 9/1/11 CKED BY SAM - RNTL PD PT 7/14/13   |
| 20373     |    | CONVERSE             | HA RA<br>SUN;SUSTAINABLE<br>FOR 2 H<br>04/07/2009<br>501-G 09-376  | 116.571            | 156             | OCT. DD PD TO 7/14/12 5/20/11 SAM: NEW TRNSMTL W PLAT DATED 5/2/11 616674 241317 HA RA SUN, PRDG 2-3/11 PT 7/14/13 |
| 20374     |    |                      |  | 0                  | 35              | OCT. 9/1/11 CKED BY SAM - RNTL PD PT 7/14/13   |
| 20424     |    |                      |  | 0                  | 20              | OCT. 9/16/11 RS SAM: APP EXP PT 9/8/13   |
| 20511     |    |                      |  | 0                  | 22              | OCT. 8/21/11 SRVY PLAT RQD 242570 616957 HA RA SU112   |
| 20544     |    |                      |  | 0                  | 40              | OCT. 8/21/11 SRVY PLAT RQD 242570 616957 HA RA SU112   |
| 20545     |    |                      |  | 0                  | 6               | OCT. 8/21/11 SRVY PLAT RQD 242570 616957 HA RA SU112   |

Louisiana Department of Natural Resources (DNR)

**SONRIS**

**Staff Reviews**

Report run on: October 7, 2011 6:13 AM

| District Code   |    | 3S Lake Charles- South                      |   |                    |                 |   |
|-----------------|----|---|---|--------------------|-----------------|---|
| Get Review Date |    | October 12, 2011                            |   |                    |                 |   |
| Lease Num       | DA | Field                                       | Latest lease Activity   | Productive Acreage | Present Acreage | Flagged for Review In   |
| 02038           |    | DEEP LAKE                                   | 400<br>02/25/2011   | 510                | 2344.71         | OCT. OB RCD 9/9/11 EXMOB RPT ON FARMOUT AGRMTS FOR NPAC OR ANOTHER 400 AC PR  |
| 02048           |    | BANCROFT, NORTH                             | VUA<br>07/01/1976   | 10.79              | 10.79           | OCT. AR 9/9/11 SSB: HBP 003765 TO 6/11  |
| 04218           |    | LAWSON                                      | 12900 RA SUA;RH SCHUH ETAL<br>02/22/2000<br>660-N 00-83         | 29.447             | 42              | OCT. AR 9/29/11 SSB 4 LUWS TO 6 OR 7/11 & \$ 7/11   |
| 04318           |    | FRISCO , JUDGE DIGBY                        | 20350 TUSC RC SUA;MARTIN ETAL<br>02/19/2008<br>1046-A-66 08-241 | 27.18              | 25              | OCT. AR 9/29/11 SSB: 045302 614205 PRD 8&7/11 \$7/11  |
| 04917           |    | OPELOUSAS                                   | C 2 RH SUA;W H JARRELL<br>01/01/1977                            | 7                  | 19.42           | OCT. AR 9/29/11 SSB: 6.91 AC HBP 143962 602679 TO 7/11 & \$   |
| 12605           |    | LAKE ARTHUR, SOUTH                          | .923<br>10/18/1990  | 7.511              | 7.511           | OCT. AR 9/9/11 SSB: HBP 610914 TO 7/11  |
| 15346           |    | MONCRIEF                                    | 28.823<br>11/13/1998  | 13.177             | 13.177          | OCT. AR 9/9/11 SSB: HBP 048682 TO 6/11 TC TITLE DISPUTE   |
| 15350           |    | MONCRIEF                                    | 12.501<br>11/13/1998  | 3.499              | 3.499           | OCT. AR 9/9/11 SSB: HBP 048364 TO 6/11 TC TITLE DISPUTE   |
| 15354           |    | MONCRIEF                                    | AUS C RA SUQ;TURNER 22<br>02/01/1997                            | 34                 | 34              | OCT. AR 9/29/11 SSB 048365 PRD 7/11, \$12/10.   |
| 15774           |    | GILLIS-ENGLISH BAYOU                        | 9.44<br>12/06/2004  | 33.66              | 33.66           | OCT. AR 9/9/11 SSB: HBP 613252 TO 6/11  |
| 16505           |    | FENTON, WEST , WILDCAT-SO LA LAFAYETTE DIST | HBV RB SUA;J D FOLLEY ETUX<br>1448-C                            | 6.638              | 6.638           | OCT. AR 9/9/11 SSB: HBP 613128 TO 6/11  |
| 18646           |    | LAKE ARTHUR, SOUTHWEST                      | 45.859<br>09/14/2007  | 126.681            | 126.681         | OCT. AR 9/9/11 SSB: HBP 614697 TO 6/11  |
| 18887           |    | LAKE ARTHUR, SOUTHWEST                      | 11.986<br>04/22/2009  | 34.014             | 34.014          | OCT. AR 9/9/11 SSB: HBP 614697 TO 6/11  |
| 19031           |    | CREOLE OFFSHORE                             | 80.38<br>08/04/2010   | 38                 | 38              | OCT. SUGGEST AR 050242 PRDG TO 7/11 PT 7/12/11  |
| 19072           |    | GRAND CHENIERE                              | 86.409<br>09/03/2009  | 21.591             | 21 591          | OCT. AR 9/9/11 SSB: HBP 615103 TO 6/11  |
| 19354           |    | MALLARD BAY                                 | 218.866<br>05/07/2010   | 84.259             | 252.134         | OCT. SUGGEST AR 9/2/11 KAM. REVISION TRNSMTL 615686 COMPROMISE AGRMT 2/9/11. STATE 75% 9/2/11 RCD UNOFL PR OF 167.875, RTNG 84.259, RQD 5/24/11 DD 5/9/11 PT 5/9/10 |
| 19938           |    |   |   | 0                  | 463             | OCT. 9/7/11 LEASE EXTENSION & SI OIL PMT MTG PT 12/10/11 10/8/11 6/2/11 SRVY PLAT   |

Louisiana Department of Natural Resources (DNR)

**SONRIS**

**Staff Reviews**

Report run on: October 7, 2011 6:13 AM

District Code 3S Lake Charles- South  
 Get Review Date October 12, 2011

| Lease Num  | DA | Field | Latest lease Activity | Productive Acreage | Present Acreage   | Flagged for Review In  |
|------------|----|-------|-----------------------|--------------------|-------------------|--|
|            |    |       |                       |                    |                   | RQD SAMSON 241819 616754<br>HA RA SUEE                                 |
| 19939      |    |       |                       | 0                  | 279               | OCT. 9/7/11 LEASE EXTENSION<br>& SI OIL PMT MTG PT 12/10/11<br>10/8/11 |
| 20042      |    |       |                       | 0                  | 327               | OCT. 9/7/11 LEASE EXTENSION<br>& SI OIL PMT MTG PT 4/8/12              |
| 20377      |    |       |                       | 0                  | 24                | OCT. 8/31/11 JJ: RENTAL PAID<br>PT 7/14/13                             |
| 20390      |    |       |                       | 0                  | .749              | OCT. 8/31/11 JJ: RENTAL PAID<br>PT 7/14/13 TAX ADJUDICATED             |
| 20391      |    |       |                       | 0                  | 1                 | OCT. 8/31/11 JJ: RENTAL PAID<br>PT 7/14/13 TAX ADJUDICATED             |
| 20392      |    |       |                       | 0                  | 3                 | OCT. 8/31/11 JJ: RENTAL PAID<br>PT 7/14/13 TAX ADJUDICATED             |
| 20393      |    |       |                       | 0                  | 3                 | OCT. 8/31/11 JJ: RENTAL PAID<br>PT 7/14/13 TAX ADJUDICATED             |
| 20394      |    |       |                       | 0                  | 3                 | OCT. 8/31/11 JJ: RENTAL PAID<br>PT 7/14/13 TAX ADJUDICATED             |
| 20395      |    |       |                       | 0                  | 1                 | OCT. 8/31/11 JJ: RENTAL PAID<br>PT 7/14/13 TAX ADJUDICATED             |
| <b>156</b> |    |       |                       | <b>48,167.266</b>  | <b>85,538.319</b> |  |



**BOBBY JINDAL**  
GOVERNOR



**SCOTT A. ANGELLE**  
SECRETARY

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

***NOMINATION AND TRACT COMMITTEE REPORT***

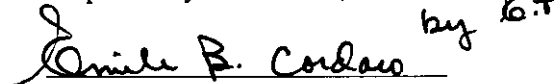
The Nomination and Tract Committee, convened at **9:39 a.m.** on Wednesday, **October 12, 2011** with the following members of the Board in attendance:

Mr. Thomas L. Arnold, Jr.    Mr. Emile B. Cordaro    Mr. John C. Diez  
Mr. Robert M. Morton    Mr. Thomas W. Sanders    Mr. Darryl D. Smith

The Committee heard the report of Mr. Emile Fontenot, relative to nominations received for the December 14, 2011 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Arnold** duly seconded by **Mr. Sanders**, the Committee voted unanimously to recommend to the Board the granting of authority to the staff to advertise all such tracts as have been reviewed by the State Land Office and the staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report presented by Mr. Fontenot.

The Committee, on motion of **Mr. Sanders**, seconded by **Mr. Arnold**, voted to adjourn at **9:41 a.m.**

Respectfully Submitted,

Handwritten signature of Emile B. Cordaro, with the word "by" and a small signature "E.F." written to the right.

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 *Mr. Sanders*, the following Resolution was offered and adopted:

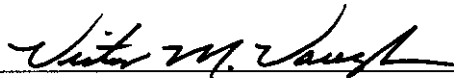
WHEREAS, Mr. Emile Fontenot presented to the State Mineral and Energy Board 68 tracts that had been nominated for the December 14, 2011 Mineral Lease Sale, and that same are to be advertised pending staff review; now therefore

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 12th day of October 2011, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD



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

**AUDIT COMMITTEE REPORT**

The regular meeting of the Audit Committee of the State Mineral and Energy Board was held on Wednesday, October 12, 2011, 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

Bay E. Ingram  
Robert "Michael" Morton  
Thomas W. Sanders

W. Paul Segura, Jr.  
Darryl D. Smith

Mr. Thomas L. Arnold, Jr. convened the Committee at 9:40 a.m.

The first matter considered by the Committee was a recoupment requested from Clayton Williams Energy, Inc.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Morton, the Committee voted unanimously to approve the recoupment request in the amount of \$31,889.20.

The second matter considered by the Committee was to place Petrohawk Energy, LLC on demand for unpaid audit exceptions.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Smith, the Committee voted unanimously to approve the demand request.

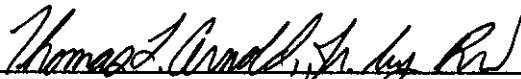
The third matter considered by the Committee was to place Southern Bay Operating, LLC on demand for unpaid audit exceptions.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Smith, the Committee voted unanimously to approve the demand request.

The fourth matter considered by the Committee was the election of the October 2011 gas royalty to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

On motion of Mr. Segura, seconded by Mr. Sanders, the Board voted unanimously to adjourn the Audit Committee at 9:52 a.m.

  
\_\_\_\_\_  
Thomas L. Arnold, Jr., Chairman  
Audit Committee

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## AUDIT COMMITTEE

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

**WHEREAS**, Clayton Williams Energy, Inc. has made a letter application for an adjustment of \$31,889.20 for the Saturday Island Field, State Leases 18668, 18669, 18671, 18688, 18689; and

**WHEREAS**, this amount was based on Clayton Williams Energy, Inc. submitting an overpayment of oil royalties based on incorrect volumes and values for the period of January 2011 in the Saturday Island Field; and

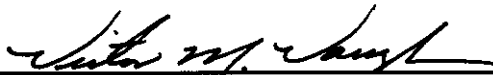
**WHEREAS**, the Mineral Income Division has verified that an overpayment in the amount of \$31,889.20 was made and that the applicant is entitled to a credit adjustment; and

**WHEREAS**, the State Mineral and Energy Board after reviewing the work of the Mineral Income Division, agrees that the applicant is entitled to an adjustment, does recommend that the State allow Clayton Williams Energy, Inc. to recoup the \$31,889.20 overpayment.

**NOW, BE IT THEREFORE RESOLVED**, that the Board does authorize and direct the Mineral Income Director to effectuate the credit adjustment of \$31,889.20 to Clayton Williams Energy, Inc. on a one-time or lump sum basis or on such terms deemed necessary by the Director, which are legally permissible, and without prejudice to any other rights of the state.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana on the 12<sup>th</sup> day of October, 2011, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## AUDIT COMMITTEE

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

**WHEREAS**, the State Mineral and Energy Board caused an audit to be performed of Petrohawk Energy, LLC respecting the royalty payments under State Lease Nos. 19764, and 19786 in the Elm Grove, and Swan Lake fields; and

**WHEREAS**, there are differences between Petrohawk Energy, LLC and the Board regarding the amount of royalty due and interest and penalty charges due by Petrohawk Energy, LLC; and

**WHEREAS**, the staff of the Office of Mineral Resources has been unable to resolve and settle the outstanding audit issues and interest and penalty billings with Petrohawk Energy, LLC,

**THEREFORE BE IT RESOLVED**, that James Caldwell, Attorney General of the State of Louisiana is hereby authorized to place formal demand upon Petrohawk Energy, LLC, and further is authorized to take all appropriate action, including the filing of suit on behalf of the Board against Petrohawk Energy, LLC for collection of all royalty due, along with interest, penalty, and all other remedies prescribed by law.

## 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 12<sup>th</sup> day of October, 2011, 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 Board and is now in full force and effect.

  
\_\_\_\_\_  
LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## AUDIT COMMITTEE

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

**WHEREAS**, the State Mineral and Energy Board caused an audit to be performed of Southern Bay Operating, LLC respecting the royalty payments under State Lease Nos. 195, 293, 1349, 1350, 3278, 3723, 12608, 16158, and B8216 in the Crocodile Bayou, Fausse Pointe, Half Moon Lake, Lake Raccourci, and Quarantine Bay fields; and

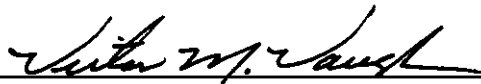
**WHEREAS**, there are differences between Southern Bay Operating, LLC and the Board regarding the amount of royalty due and interest and penalty charges due by Southern Bay Operating, LLC; and

**WHEREAS**, the staff of the Office of Mineral Resources has been unable to resolve and settle the outstanding audit issues and interest and penalty billings with Southern Bay Operating, LLC,

**THEREFORE BE IT RESOLVED**, that James Caldwell, Attorney General of the State of Louisiana is hereby authorized to place formal demand upon Southern Bay Operating, LLC, and further is authorized to take all appropriate action, including the filing of suit on behalf of the Board against Southern Bay Operating, LLC for collection of all royalty due, along with interest, penalty, and all other remedies prescribed by law.

## 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 12<sup>th</sup> day of October, 2011, 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 Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD



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

**LEGAL AND TITLE CONTROVERSY COMMITTEE REPORT**

The regular meeting of the Legal and Title Controversy Committee of the State Mineral and Energy Board was held on October 12, 2011, following the Audit Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Mr. Thomas W. Sanders  
Mr. Emile B. Cordaro  
Mr. Darryl David Smith  
Mr. Robert "Michael" Morton

Mr. John "Juba" Diez  
Mr. Thomas L. Arnold, Jr.  
Mr. W. Paul Segura, Jr.  
Mr. Bay Elliot Ingram

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

The first matter considered by the Committee was a request by Clayton Williams Energy, Inc. to extend the primary term of State Lease No. 19949 for an additional six (6) months in exchange for a payment of a full rental and a one-half (½) percent increase in royalty.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant a six (6) month extension of the primary term of State Lease No. 19949 to Clayton Williams Energy, Inc. in exchange for a payment of a full rental and a one-half (½) percent increase in royalty. No comments were made by the public.

The second matter considered by the Committee was a request by Clayton Williams Energy, Inc. to rescind the resolution adopted at the July 13, 2011 Mineral and Energy Board Meeting wherein approval, in principle, was granted in regard to the request made by Clayton Williams Energy, Inc. to amend State Lease No. 19706 in the Main Pass area to include a shut-in oil well clause providing for payment of in-lieu royalty at \$50.00 per acre.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to recommend that the State Mineral and Energy Board rescind the resolution adopted at the July 13, 2011 Mineral and Energy Board Meeting. No comments from the public were made.



The third matter considered by the Committee was a request by Mack Energy Company for a six (6) month extension for the drilling of a second well in the ExPert Oil & Gas, L.L.C.- Lake Salvador VUA which affects State Lease Nos. 19199, 19200, 19202, 19203, 19204, 19205, 19206, 19207, and 19232, Lake Salvador Field, St. Charles and Lafourche Parishes. Said extension would extend the deadline from December 13, 2011 to June 13, 2012.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant a six (6) month extension for the drilling of a second well to Mack Energy Company in the ExPert Oil & Gas, L.L.C.- Lake Salvador VUA which affects State Lease Nos. 19199, 19200, 19202, 19203, 19204, 19205, 19206, 19207, and 19232, Lake Salvador Field, St. Charles and Lafourche Parishes. Mack Energy Company will pay the State the sum of \$97,890.12 for the six (6) month extension, and the Lake Salvador VUA will be amended to compel the spudding of the second well prior to June 13, 2012. If at that time a spud has not occurred, Mack Energy Company will be compelled to pay \$48,945.06 and release all acreage outside of the productive area. No comments from the public were made.

The fourth matter considered by the Committee was a request by Staff for authority to negotiate with XPLOR Energy SPV-1, Inc. for an Operating Agreement covering acreage contained in a former portion of State Lease No. 1480, #2 Well, Lake Raccourci Field, Lafourche Parish, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant authority to Staff to negotiate with XPLOR Energy SPV-1, Inc. for an Operating Agreement covering acreage contained in a former portion of State Lease No. 1480, #2 Well, Lake Raccourci Field, Lafourche Parish, Louisiana. No comments from the public were made.

The fifth matter considered by the Committee was a request by Comstock Oil and Gas-Louisiana, LLC for permission to escrow funds on disputed acreage as it pertains to State Agency Lease No. 20506 and State Lease No. 20571.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant permission to Comstock Oil and Gas-Louisiana, LLC to escrow funds on disputed acreage as it pertains to State Agency Lease No. 20506 and State Lease No. 20571, subject to the standard escrow requirements. No comments from the public were made.

Upon motion of Mr. Arnold, seconded by Mr. Smith, the Committee voted unanimously to go into Executive Session at 10:04 A.M.

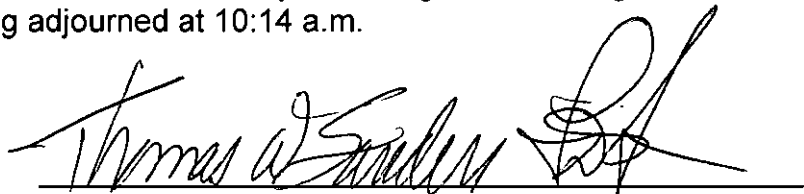
Upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to return to Open Session at 10:13 A.M.

The following matter was discussed in Executive Session:

The sixth matter considered by the Committee was an update by Staff in executive session of pending litigation entitled *Devon Energy Production Company v. Gail Norton, et al.*

This matter was merely a discussion, and no action was taken by the Board

Upon motion of Mr. Arnold, seconded by Mr. Segura, the Legal and Title Controversy Committee meeting adjourned at 10:14 a.m.

A handwritten signature in black ink, appearing to read "Thomas W. Sanders", is written over a horizontal line. To the right of the signature is a small, stylized mark.

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

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## LEGAL AND TITLE CONTROVERSY COMMITTEE

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

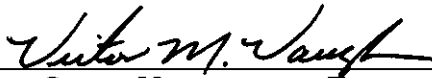
**WHEREAS**, a request was made by Clayton Williams Energy, Inc. for an extension of the primary term of State Lease No. 19949 for an additional six (6) months in exchange for a payment of a full rental and a one-half ( $\frac{1}{2}$ ) percent increase in royalty;

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

**NOW, BE IT THEREFORE RESOLVED**, that the Committee recommends that the State Mineral and Energy Board grant a six (6) month extension of the primary term of State Lease No. 19949 to Clayton Williams Energy, Inc. in exchange for a payment of a full rental and a one-half ( $\frac{1}{2}$ ) percent increase in royalty.

## 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 12th day of October, 2011, 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.



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LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## LEGAL AND TITLE CONTROVERSY COMMITTEE

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

**WHEREAS**, a request was made by Clayton Williams Energy, Inc. to rescind the resolution adopted at the July 13, 2011 Mineral and Energy Board Meeting wherein approval, in principle, was granted in regard to the request made by Clayton Williams Energy, Inc. to amend State Lease No. 19706 in the Main Pass area to include a shut-in oil well clause providing for payment of in-lieu royalty at \$50.00 per acre;

**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 rescind the resolution adopted at the July 13, 2011 Mineral and Energy Board Meeting.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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.



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LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## LEGAL AND TITLE CONTROVERSY COMMITTEE

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

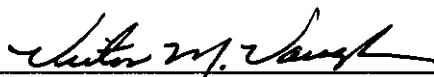
**WHEREAS**, a request was made by Mack Energy Company for a six (6) month extension for the drilling of a second well in the ExPert Oil & Gas, L.L.C.- Lake Salvador VUA which affects State Lease Nos. 19199, 19200, 19202, 19203, 19204, 19205, 19206, 19207, and 19232, Lake Salvador Field, St. Charles and Lafourche Parishes. Said extension would extend the deadline from December 13, 2011 to June 13, 2012;

**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 six (6) month extension for the drilling of a second well to Mack Energy Company in the ExPert Oil & Gas, L.L.C.- Lake Salvador VUA which affects State Lease Nos. 19199, 19200, 19202, 19203, 19204, 19205, 19206, 19207, and 19232, Lake Salvador Field, St. Charles and Lafourche Parishes. Mack Energy Company will pay the State the sum of \$97,890.12 for the six (6) month extension, and the Lake Salvador VUA will be amended to compel the spudding of the second well prior to June 13, 2012. If at that time a spud has not occurred, Mack Energy Company will be compelled to pay \$48,945.06 and release all acreage outside of the productive area.

## 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 12th day of October, 2011, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## LEGAL AND TITLE CONTROVERSY COMMITTEE

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

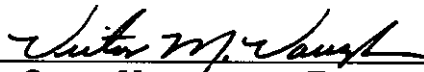
**WHEREAS**, a request was made by Staff for authority to negotiate with XPLOR Energy SPV-1, Inc. for an Operating Agreement covering acreage contained in a former portion of State Lease No. 1480, #2 Well, Lake Raccourci Field, Lafourche Parish, Louisiana;

**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 authority to Staff to negotiate with XPLOR Energy SPV-1, Inc. for an Operating Agreement covering acreage contained in a former portion of State Lease No. 1480, #2 Well, Lake Raccourci Field, 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 12th day of October, 2011, 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.



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LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## LEGAL AND TITLE CONTROVERSY COMMITTEE

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

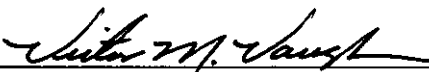
**WHEREAS**, a request was made by Comstock Oil and Gas-Louisiana, LLC for permission to escrow funds on disputed acreage as it pertains to State Agency Lease No. 20506 and State Lease No. 20571;

**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 permission to Comstock Oil and Gas-Louisiana, LLC to escrow funds on disputed acreage as it pertains to State Agency Lease No. 20506 and State Lease No. 20571, subject to the standard escrow requirements.

## 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 12th day of October, 2011, 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.



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LOUISIANA STATE MINERAL AND ENERGY BOARD

**BOBBY JINDAL**  
GOVERNOR



**SCOTT A. ANGELLE**  
SECRETARY

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

**DOCKET REVIEW COMMITTEE REPORT**

The Docket Review Committee convened at 10:10 a.m. on Wednesday, October 12, 2011. Board Members present were Mr. Thomas W. Sanders, Mr. Thomas L. Arnold, Jr., Mr. Emile Cordaro, Mr. Darryl D. Smith, Mr. W. Paul Segura, Jr., Mr. John C. "Juba" Diez, Mr. Robert "Michael" Morton and Mr. Bay E. Ingram.

The Committee made the following recommendations:

Approve State Agency Lease A, B and C on pages 1 and 2;

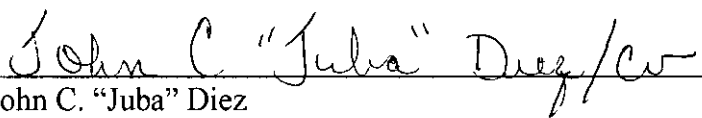
Approve all Assignments on pages 3 through 9; Nos. 3 and 13 on pages 4 and 7 would be approved subject to the approval of the Governor of Louisiana;

Approve the following item: Docket Item Nos. 11-32, 11-33, 11-34 and 11-35 on page 11;

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

There being no further business to come before the committee, upon motion of Mr. Sanders, and seconded by Mr. Ingram, the committee voted unanimously to adjourn the meeting at 10:14 a.m.

Respectfully submitted,

  
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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. Segura, seconded by Mr. Ingram, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the October 12, 2011 Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from Sabine Parish School Board, dated August 4, 2011, awarded to Eagle Stone Energy Partners, L.P., covering lands located in Section 16, Township 8 North, Range 14 West, Sabine Parish Louisiana, containing 193 acres, more or less, with further contractual obligations being more enumerated in the instrument.

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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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. Segura, seconded by Mr. Ingram, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item B from the October 12, 2011 Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Calcasieu Parish Police Jury, dated September 12, 2011, awarded to Aspect Energy L.L.C, covering lands located in Section 17, Township 7 South, Range 10 West, Calcasieu Parish, Louisiana, containing 0.87 acres, more or less, with further contractual obligations being more enumerated in the instrument.

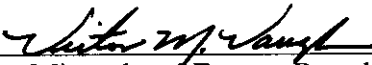
The State of Louisiana, through the State Mineral and Energy Board, asserts and claims title to the beds and bottoms of any navigable waterbed that may be located within the boundaries of the lands leased, and this approval shall not cover or extend to, or be construed as affecting the State's title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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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.

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item C from the October 12, 2011 Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Calcasieu Parish Police Jury, dated September 12, 2011, awarded to Aspect Energy, L.L.C., covering lands as described on the attached Exhibit "A", Calcasieu Parish, Louisiana, containing approximately 9.23 acres, with further contractual obligations being more enumerated in the instrument.

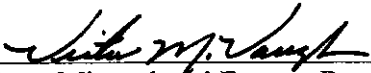
The State of Louisiana, through the State Mineral and Energy Board, asserts and claims title to the beds and bottoms of any navigable waterbed that may be located within the boundaries of the lands leased, and this approval shall not cover or extend to, or be construed as affecting the State's title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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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.

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

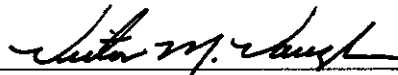
On motion of Mr. Segura, seconded by Mr. Ingram, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the October 12, 2011, Meeting be approved, said instrument being an Assignment from Goodrich Petroleum Company, L.L.C. to Hilcorp Energy I, L.P., an undivided 1.75838% of 8/8ths interest in and to State Lease No. 1480, Lafourche Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said State Lease No. 1480 lies within the surface boundaries of the MW-Goodrich-Exxon Lake Raccourci Voluntary Unit, and **INSOFAR AND ONLY INSOFAR AS** to all depths from the surface to the base of the stratigraphic equivalent of the BOL 6 Sand, with further particulars being stipulated in the instrument.

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

### 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 12th day of October, 2011, 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.



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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 2 from the October 12, 2011 Meeting be approved, said instrument being an Assignment and Correction of Assignment from Indigo Minerals LLC to Condor Petroleum, Inc., of all of Assignor's right, title and interest in and to State Lease No 15593, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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


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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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. Segura seconded by Mr. Ingram, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the October 12, 2011 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being an Assignment from Hess Corporation to Hilcorp Energy I, L.P., of all of Assignor's right, title and interest in and to State Lease No 340, Iberia Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** to the lands described on the "Exhibit A", attached hereto, with further particulars being stipulated in the instrument

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

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

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

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

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

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

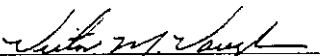
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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. Segura seconded by Mr. Ingram, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from Hilliard Acquisitions IV, LLC, an undivided interest to the following in the proportions set out below:

|                        |          |
|------------------------|----------|
| Hilliard Energy, LLC   | 1250000  |
| CEL Properties, LLC    | .3450000 |
| RLI Properties, LLC    | .1200000 |
| Cram II Oil & Gas, Ltd | .0200000 |

in and to State Lease No. 18378, Vermilion Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

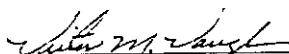
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from Hilliard Energy LLC to CEL Properties, LLC, of all of Assignor's right, title and interest in and to State Lease No. 18378, Vermillion Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

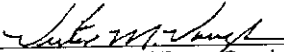
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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

  
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State Mineral and Energy Board



# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from XTO Offshore Inc. to Dynamic Offshore Resources, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 1999, 3770, 12806, 15683, 16735, 16736, 16737, 16738, 16869, 16870, 17674, 17675, 17942 and 19718, Plaquemines Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** State Lease No. 1999 covers and affects rights in the stratigraphic equivalent of the electric log depth intervals of 4,928' - 4,966', 5,358' - 5,360' and 5,505' - 5,640' as measured in the LLOG Exploration Offshore, Inc SL 1999 #4 ST, with further particulars being stipulated in the instrument

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

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

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

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

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any 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 12th day of October, 2011, 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.

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 7 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from Poydras Energy Partners, LLC, of all of Assignor's right, title and interest to the following in the proportions set out below.

|                              |         |
|------------------------------|---------|
| DC Energy, LLC               | 12 500% |
| Triumph Energy I, LLC        | 36.875% |
| Attic Investment, Inc.       | 0 625%  |
| Roky Operating, LLC          | 40 000% |
| Texas Allied Petroleum, Inc. | 10 000% |

in and to State Lease Nos. 1958 and 2125, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

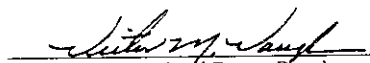
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12<sup>th</sup> day of October, 2011, 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. Segura seconded by Mr. Ingram, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 8 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from DC Energy, LLC, an undivided 25% of 1% of 8ths, and Triumph Energy I, LLC, an undivided 75% of 1% of 8/8ths to Poydras Energy Partners, LLC, in and to State Lease Nos. 1958 and 2125, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 9 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from Poydras Energy Partners, LLC, of all of Assignor's right, title and interest to the following in the proportions set out below:

|                                 |        |
|---------------------------------|--------|
| DC Energy, LLC                  | 15 00% |
| Triumph Energy I, LLC           | 43 25% |
| Attic Investment, Inc.          | 1 75%  |
| Roky Operating, LLC             | 30 00% |
| Texas Allied Petroleum, Inc.    | 2.00%  |
| Bedrock Energy Development, Inc | 8 00%  |

in and to State Lease Nos 20101 and 20103, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

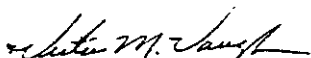
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from DC Energy, LLC, an undivided 25% of 1% of 8/8ths, and Triumph Energy I, LLC, an undivided 75% of 1% of 8/8ths to Poydras Energy Partners, LLC, in and to State Lease Nos. 20101 and 20103, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

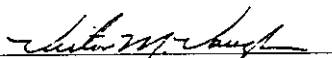
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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. Segura seconded by Mr. Ingram, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from Triumph Energy I, LLC to Texas Allied Petroleum, Inc., an undivided 7% interest in and to State Lease Nos. 1958, 2125, 20101 and 20103, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

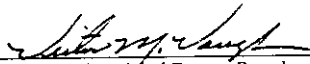
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12 from the October 12, 2011 Meeting be approved, said instrument an Assignment from DC Energy, LLC to Triumph Energy I, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 20101 and 20103, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

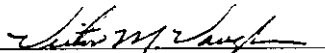
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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. Segura seconded by Mr. Ingram, the following Resolution was offered and adopted.

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 13 from the October 12, 2011 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being a Reassignment from Clayton Williams Energy, Inc. to Harvest Oil & Gas, LLC, of all of Assignor's right, title and interest in and to State Lease No 195, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

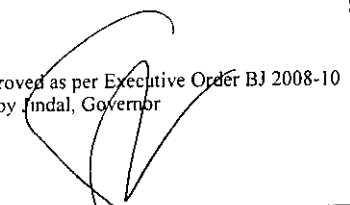
BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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. Segura seconded by Mr. Ingram, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 14 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from Ellora Land Holdings, LP to EOG Resources, Inc., an undivided 70% of Assignor's right, title and interest in and to State Lease Nos. 17329 and 18183, Sabine Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 15 from the October 12, 2011 Meeting be approved, said instrument being an Act of Correction of that certain Assignment, dated May 24, 2011, from Petsec Exploration and Production L L C. to GOME 1271 LLC, whereas as said parties desire delete State Lease No. 20259 and add State Lease No. 20529 from the Exhibit "A" attached to said Assignment, affecting State Lease Nos. 20221, 20367, 20369, 20528, 20529 and 20530, St. Mary 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 12th day of October, 2011, 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.

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 16 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from Cypress Energy Corporation to Surfside Energy, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 19257, 19258, 19998, 20005 and 20352, Vermilion Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

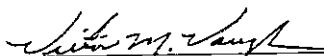
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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.

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from Ric Bajon & Associates to Sylvan Energy, LLC, of all of Assignor's right, title and interest in and to State Lease No 20595, Acadia and Lafayette Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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


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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 18 from the October 12, 2011 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 No. 20619, Bienville and Bossier 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 and Energy Board Resolution dated September 10, 1975.

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

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

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

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

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

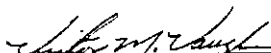
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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.

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19 from the October 12, 2011 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 No. 20621, Bossier Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

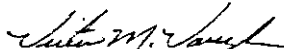
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 20 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from Renaissance Petroleum Company, LLC to AriesOne, LP, of all of Assignor's right, title and interest in and to State Lease No. 18582, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

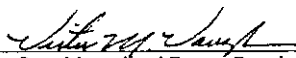
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 21 from the October 12, 2011 Meeting be approved, said instrument being an Assignment from Renaissance Petroleum Company, LLC to AriesOne, LP, of all of Assignor's right, title and interest in and to State Lease Nos 19067 and 19068, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

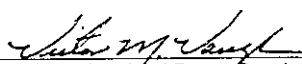
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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

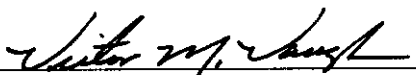
## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 22 from the October 12, 2011, Meeting be approved, said instrument being a Correction of Resolution No. 30 from the August 10, 2011 Meeting, being an Assignment from Martin-Marks Minerals, L.L.C. to Marks Explorer LLC, whereas Lafourche Parish was omitted from said resolution and is hereby being added, affecting State Lease Nos. 16918, 17236, 18581, 19489 and 19677, Lafourche and Plaquemines Parishes, Louisiana.

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of October, 2011, 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.



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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11-32 from the October 12, 2011, Meeting be approved, said instrument being a Unitization Agreement presented by Energy XXI GOM, LLC, to create a 28.538 acre unit, more or less, identified as the “**S-2 Sand, Reservoir A**”, with 13.441 acres being attributable to State Lease No. 1423 and the remaining acreage being attributable to Federal Lands, Lafourche 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 12th day of October, 2011 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.



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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

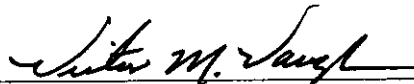
On motion of Mr. Segura, seconded by Mr. Ingram, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11-33 from the October 12, 2011, Meeting be approved, said instrument being a Unitization Agreement presented by Energy XXI GOM, LLC, to create a 29.169 acre unit, more or less, identified as the “**S-2A Sand Reservoir A**”, with 17.476 acres being attributable to State Lease No. 1423 and the remaining acreage being attributable to Federal Lands, Lafourche 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 12th day of October, 2011 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

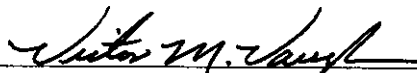
On motion of Mr. Segura, seconded by Mr. Ingram, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11-34 from the October 12, 2011, Meeting be approved, said instrument being a Unitization Agreement presented by Energy XXI GOM, LLC, to create a 27.753 acre unit, more or less, identified as the “**S-3 Sand, Reservoir A**”, with 21.809 acres being attributable to State Lease No. 1423 and the remaining acreage being attributable to Federal Lands, Lafourche 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 12th day of October, 2011 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.

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

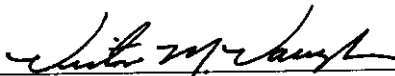
On motion of Mr. Segura, seconded by Mr. Ingram, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11-35 from the October 12, 2011, Meeting be approved, said instrument being a Unitization Agreement presented by Energy XXI GOM, LLC, to create a 95.560 acre unit, more or less, identified as the “**S-4 Sand, Reservoir RX-3**”, with 36.599 acres being attributable to State Lease No. 1423 and the remaining acreage being attributable to Federal Lands, Lafourche 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 12th day of October, 2011 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.

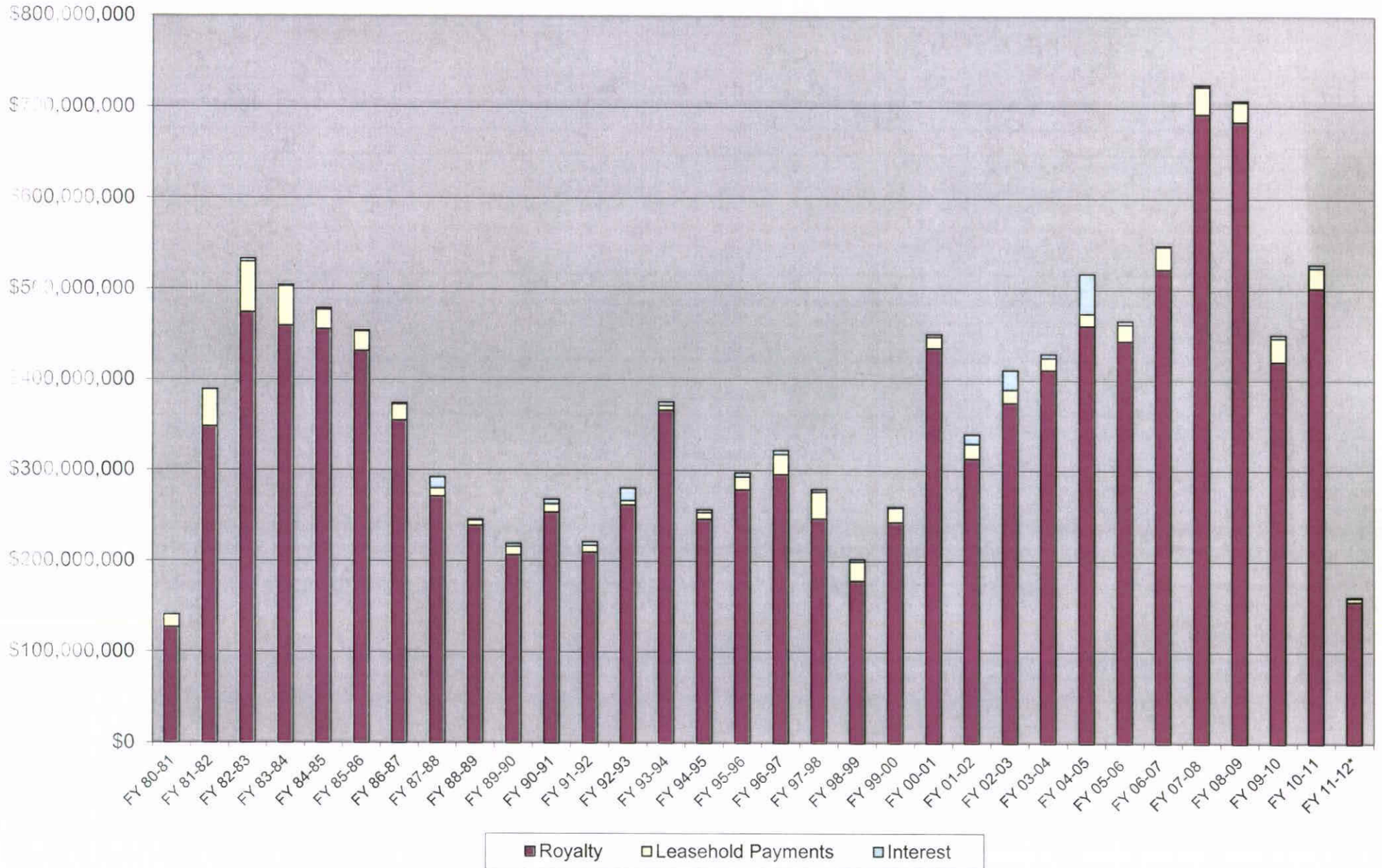


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State Mineral and Energy Board



Office of Mineral Resources  
Mineral and Energy Board  
Meeting  
October 12, 2011

## Historical Cash Receipts



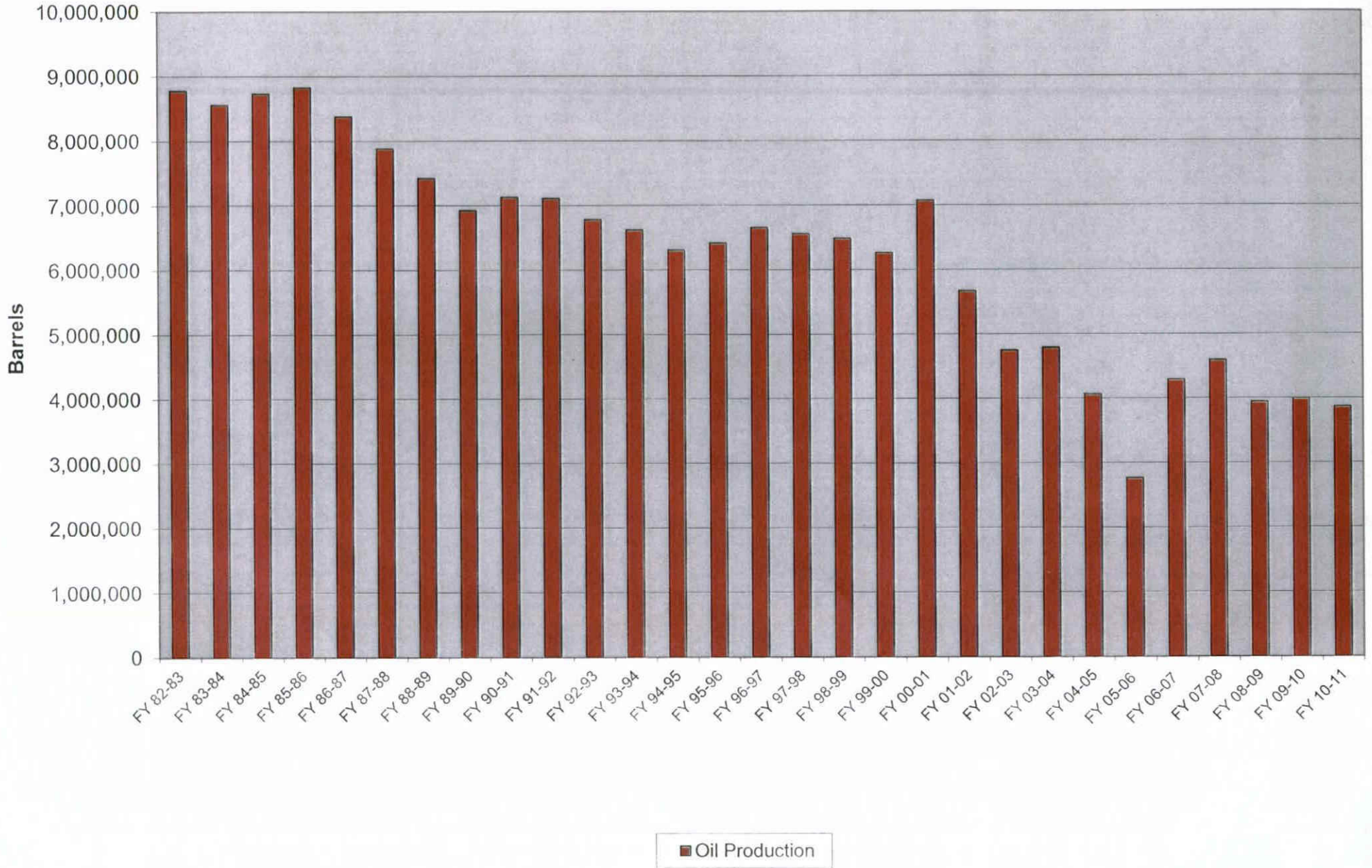
## Historical Cash Receipts

|            | <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   | \$29,151,741    | \$420,718,802    | \$26,049,542              | \$3,612,904     | \$479,532,989    | \$39,961,082           |
| FY 10-11   | \$30,293,007    | \$501,602,312    | \$22,735,393              | \$3,725,864     | \$558,356,576    | \$46,529,715           |
| FY 11-12*  | \$5,665,928     | \$155,930,438    | \$4,377,749               | \$635,737       | \$166,609,852    | \$55,536,617           |
|            | \$1,438,603,901 | \$11,365,599,010 | \$594,220,707             | \$171,572,776   | \$13,569,996,394 |                        |
| % of Total | 11%             | 84%              | 4%                        | 1%              |                  |                        |

\*Fiscal Year 11-12 includes July 2011 through September 2011



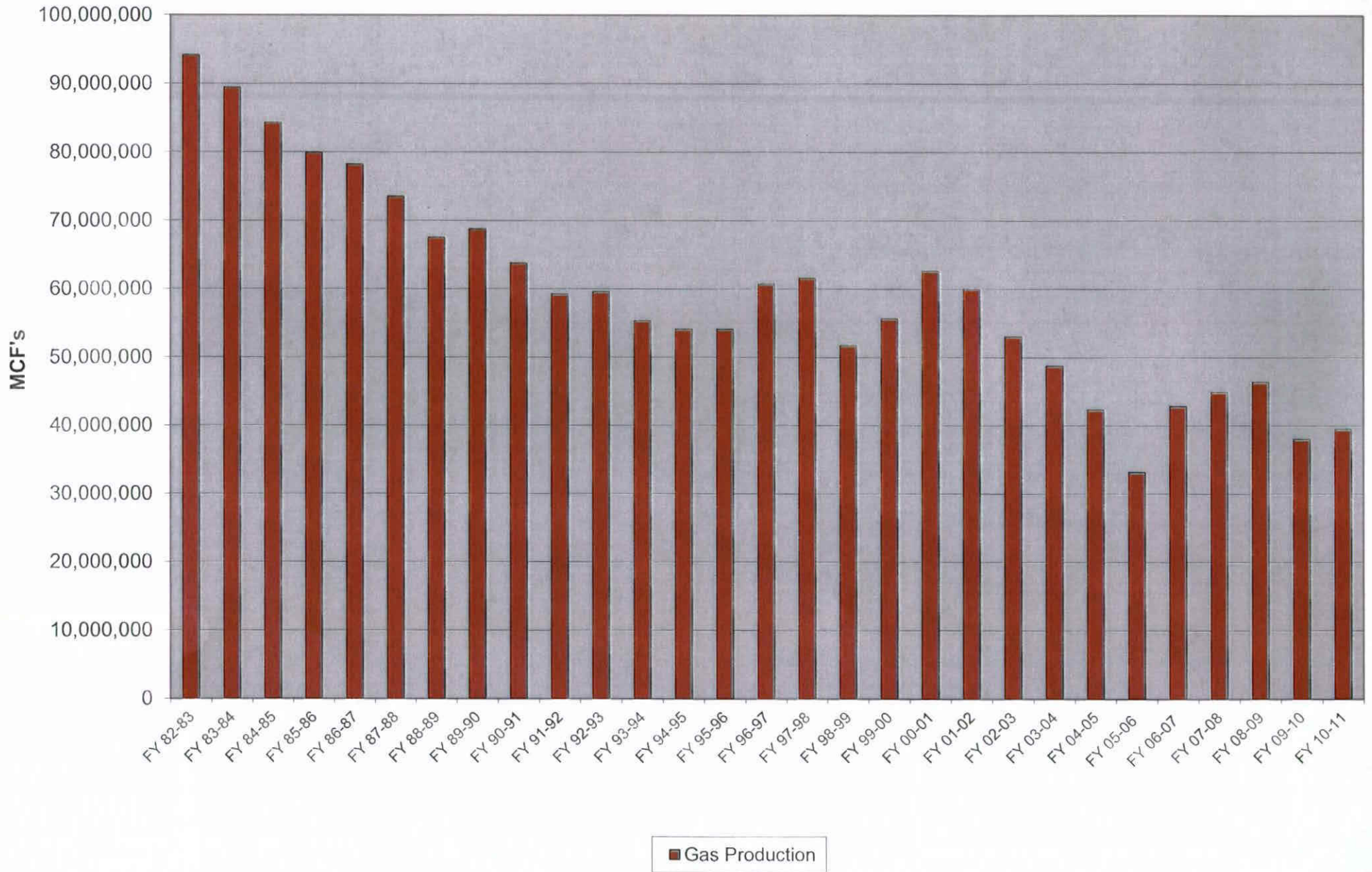
# Historical Oil Production



## 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   | 4,291,644      |
| FY 07-08   | 4,595,171      |
| FY 08-09   | 3,947,108      |
| FY 09-10   | 3,994,223      |
| FY 10-11   | 3,867,400      |
|            | 181,654,498    |
| % of Total | 2%             |

# Historical Gas Production



## Historical Gas Production

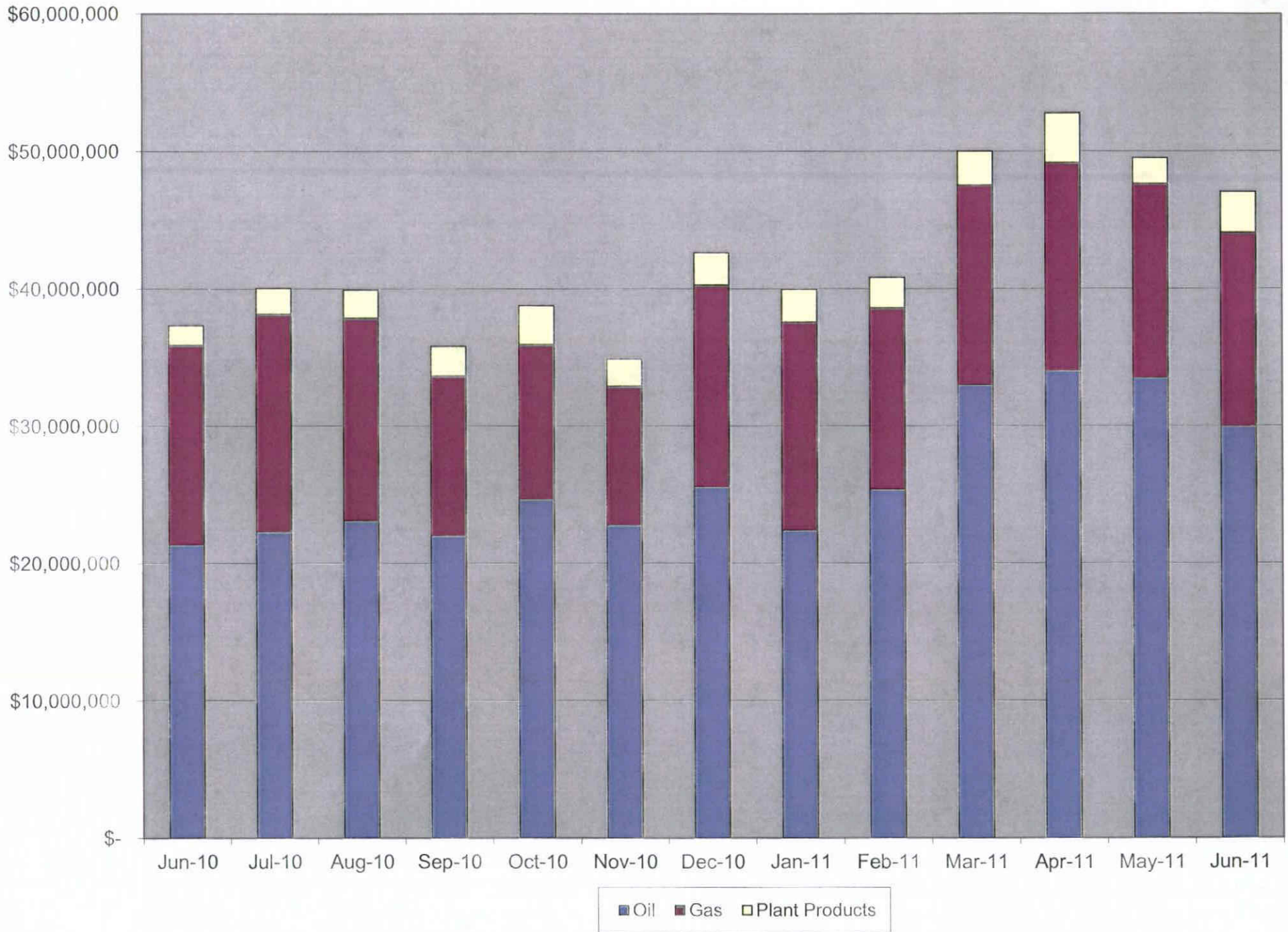
|          | <u>MCF's</u> |
|----------|--------------|
| FY 82-83 | 94,125,368   |
| FY 83-84 | 89,454,160   |
| FY 84-85 | 84,301,670   |
| FY 85-86 | 79,934,040   |
| FY 86-87 | 78,234,139   |
| FY 87-88 | 73,532,729   |
| FY 88-89 | 67,566,288   |
| FY 89-90 | 68,771,995   |
| FY 90-91 | 63,785,078   |
| 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 | 42,851,389   |
| FY 07-08 | 44,930,016   |
| FY 08-09 | 46,396,043   |
| FY 09-10 | 38,062,010   |
| FY 10-11 | 39,505,214   |

1,723,691,045

% of Total                      2%



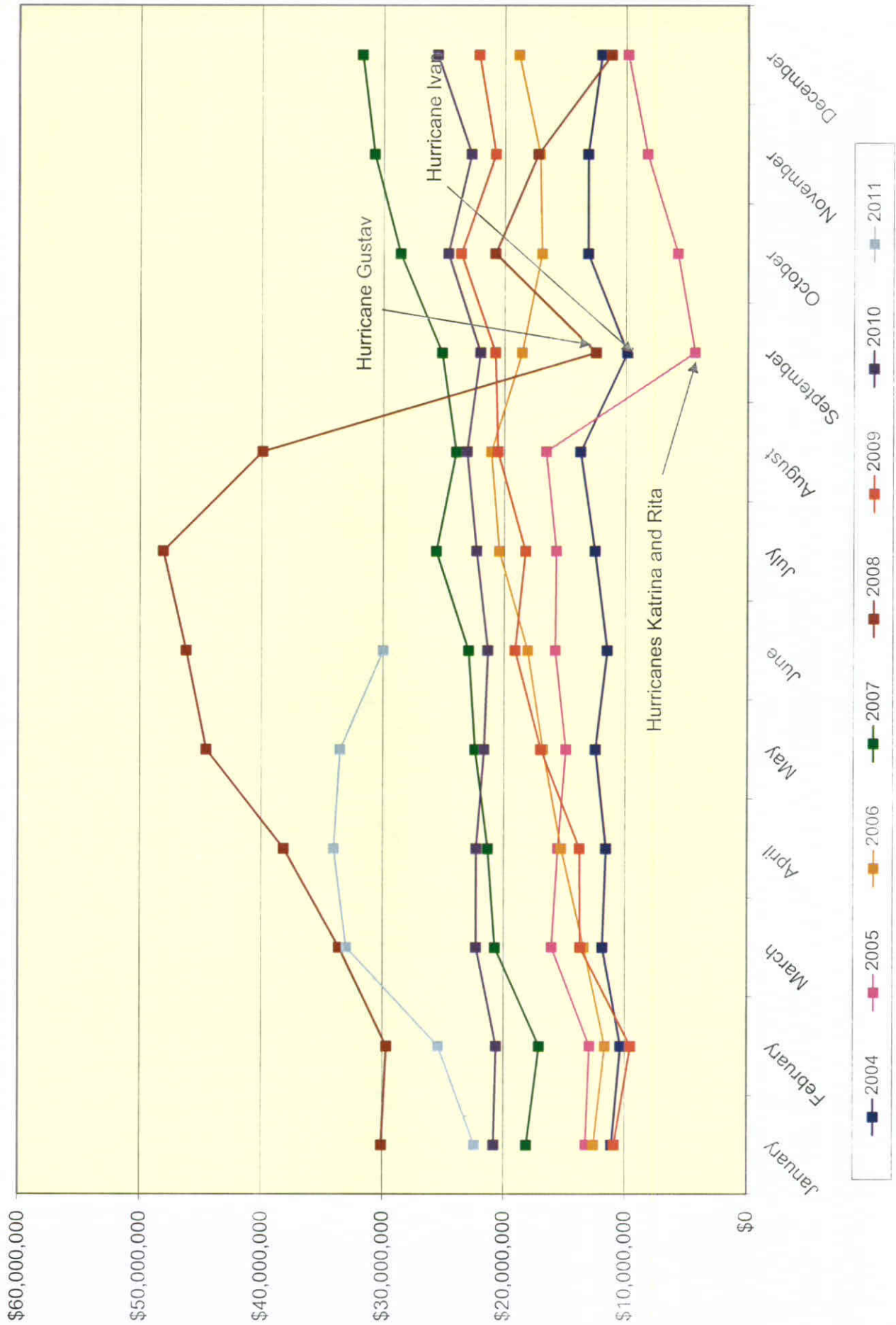
### Royalty Collections by Disposition Month



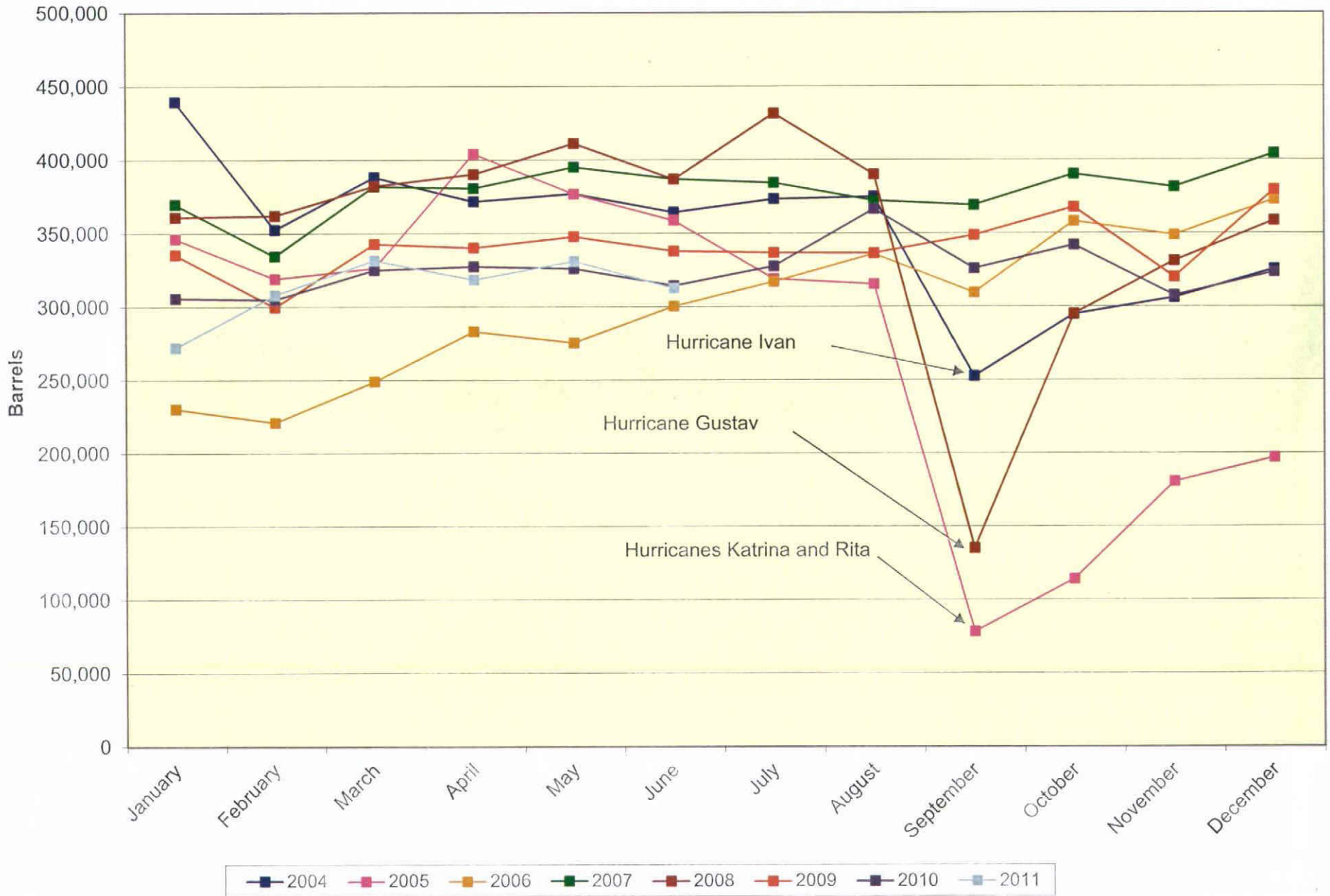
## Royalty Collections by Disposition Month

| <u>Disposition Month</u> | <u>Oil</u>               | <u>Gas</u>               | <u>Plant Products</u>   | <u>Total</u>             |
|--------------------------|--------------------------|--------------------------|-------------------------|--------------------------|
| June 2010                | 21,368,854.40            | 14,555,749.61            | 1,424,825.63            | 37,349,429.64            |
| July 2010                | 22,310,785.53            | 15,859,442.65            | 1,885,637.35            | 40,055,865.53            |
| August 2010              | 23,113,978.61            | 14,761,980.20            | 2,047,236.98            | 39,923,195.79            |
| September 2010           | 22,028,526.20            | 11,622,992.65            | 2,173,477.11            | 35,824,995.96            |
| October 2010             | 24,694,071.10            | 11,262,366.12            | 2,823,520.43            | 38,779,957.65            |
| November 2010            | 22,793,012.98            | 10,113,531.16            | 1,977,764.99            | 34,884,309.13            |
| December 2010            | 25,589,262.23            | 14,688,997.14            | 2,358,507.88            | 42,636,767.25            |
| January 2011             | 22,415,539.44            | 15,154,392.87            | 2,408,132.04            | 39,978,064.35            |
| February 2011            | 25,402,880.42            | 13,209,222.40            | 2,221,746.86            | 40,833,849.68            |
| March 2011               | 33,008,604.33            | 14,516,946.04            | 2,471,508.50            | 49,997,058.87            |
| April 2011               | 34,040,457.75            | 15,122,050.81            | 3,616,212.84            | 52,778,721.40            |
| May 2011                 | 33,520,649.19            | 14,103,278.14            | 1,899,162.27            | 49,523,089.60            |
| June 2011                | 29,988,757.32            | 14,089,053.64            | 2,981,548.03            | 47,059,358.99            |
| <b>Total</b>             | <b>\$ 340,275,379.50</b> | <b>\$ 179,060,003.43</b> | <b>\$ 30,289,280.91</b> | <b>\$ 549,624,663.84</b> |
| <br>                     |                          |                          |                         |                          |
| % of Total               | 62%                      | 32%                      | 6%                      |                          |

# Oil Royalty by Disposition Month



### Oil Volume by Disposition Month



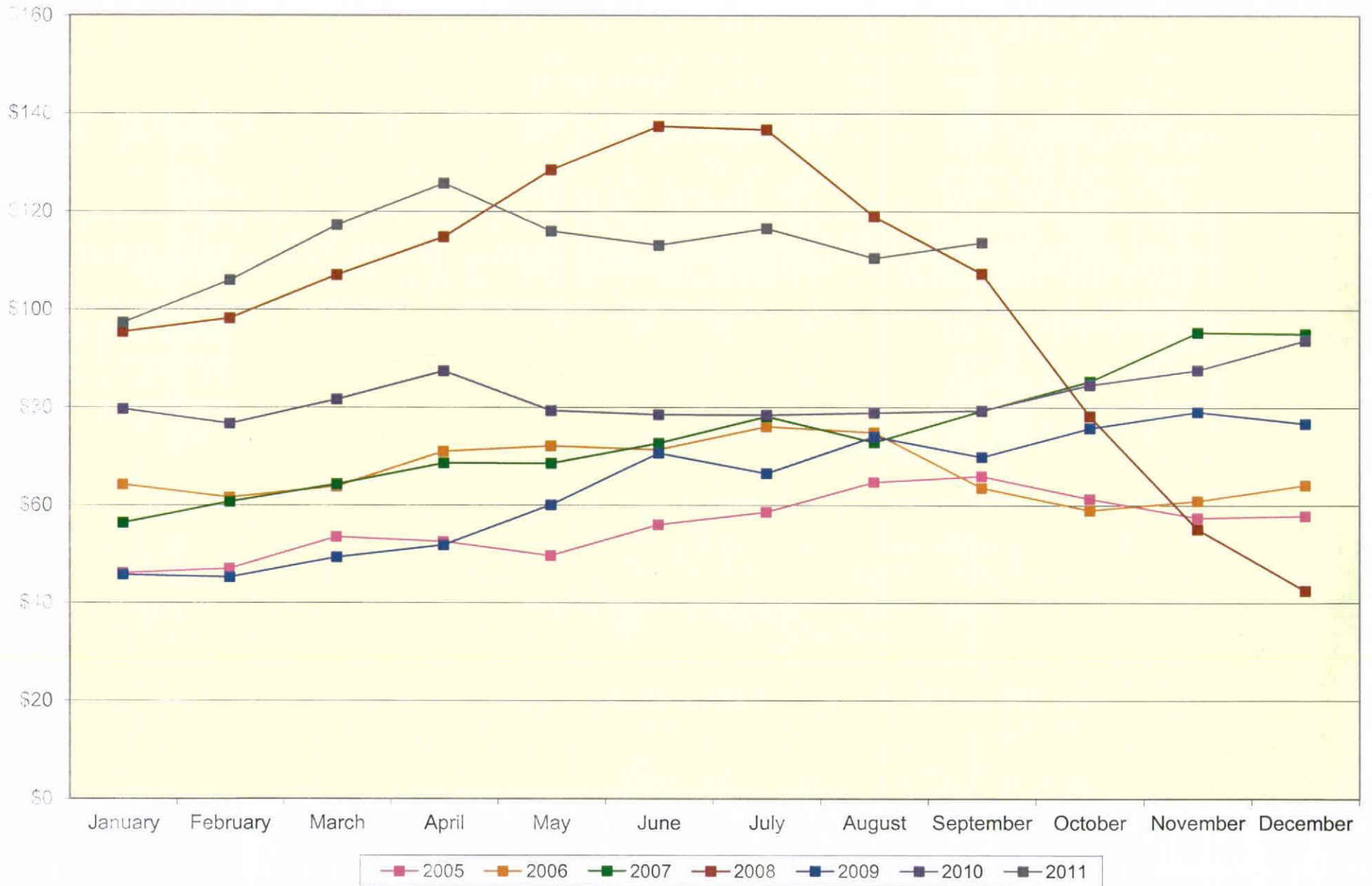


## Oil Volume by Disposition Month

| <u>Disposition Month</u> | <u>Barrels</u> |
|--------------------------|----------------|
| January 2004             | 439,528 9609   |
| February 2004            | 352,554 1867   |
| March 2004               | 368,250 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 6454   |
| 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            | 160,921 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 6679   |
| January 2007             | 369,686 7391   |
| February 2007            | 334,445 2821   |
| March 2007               | 381,894 4336   |
| April 2007               | 380,620 5660   |
| May 2007                 | 394,922 1387   |
| June 2007                | 386,951 9410   |
| July 2007                | 384,343 3655   |
| August 2007              | 372,200 9844   |
| September 2007           | 369,099 6361   |
| October 2007             | 390,100 0705   |
| November 2007            | 381,339 3224   |
| December 2007            | 404,072 8738   |
| January 2008             | 361,138 9182   |
| February 2008            | 362,254 2209   |
| March 2008               | 382,343 7208   |
| April 2008               | 390,276 3774   |
| May 2008                 | 411,209 0169   |
| June 2008                | 386,792 6447   |
| July 2008                | 431,694 6155   |
| August 2008              | 390,126 8974   |
| September 2008           | 135,411 2635   |
| October 2008             | 295,271 8248   |
| November 2008            | 331,240 1256   |
| December 2008            | 358,621 6374   |
| January 2009             | 335,623 7105   |
| February 2009            | 299,948 5240   |
| March 2009               | 342,895 1114   |
| April 2009               | 340,348.3693   |
| May 2009                 | 347,866.6800   |
| June 2009                | 338,059.3933   |
| July 2009                | 336,972 2875   |
| August 2009              | 336,680.1133   |
| September 2009           | 348,829 8130   |
| October 2009             | 367,869 9133   |
| November 2009            | 320,257 7306   |
| December 2009            | 379,651 8993   |
| January 2010             | 305,905 4787   |
| February 2010            | 305,011 1276   |
| March 2010               | 325,054 3535   |
| April 2010               | 327,479 9329   |
| May 2010                 | 326,112 3960   |
| June 2010                | 314,398 2988   |
| July 2010                | 327,673 7236   |
| August 2010              | 366,545 4858   |
| September 2010           | 326,085 9977   |
| October 2010             | 341,980 1249   |
| November 2010            | 307,647 3080   |
| December 2010            | 323,636 4032   |
| January 2011             | 272,155 3288   |
| February 2011            | 308,032 6891   |
| March 2011               | 331,554 0604   |
| April 2011               | 318,400 2453   |
| May 2011                 | 330,964 7524   |
| June 2011                | 312,723 6794   |

### Oil Prices

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

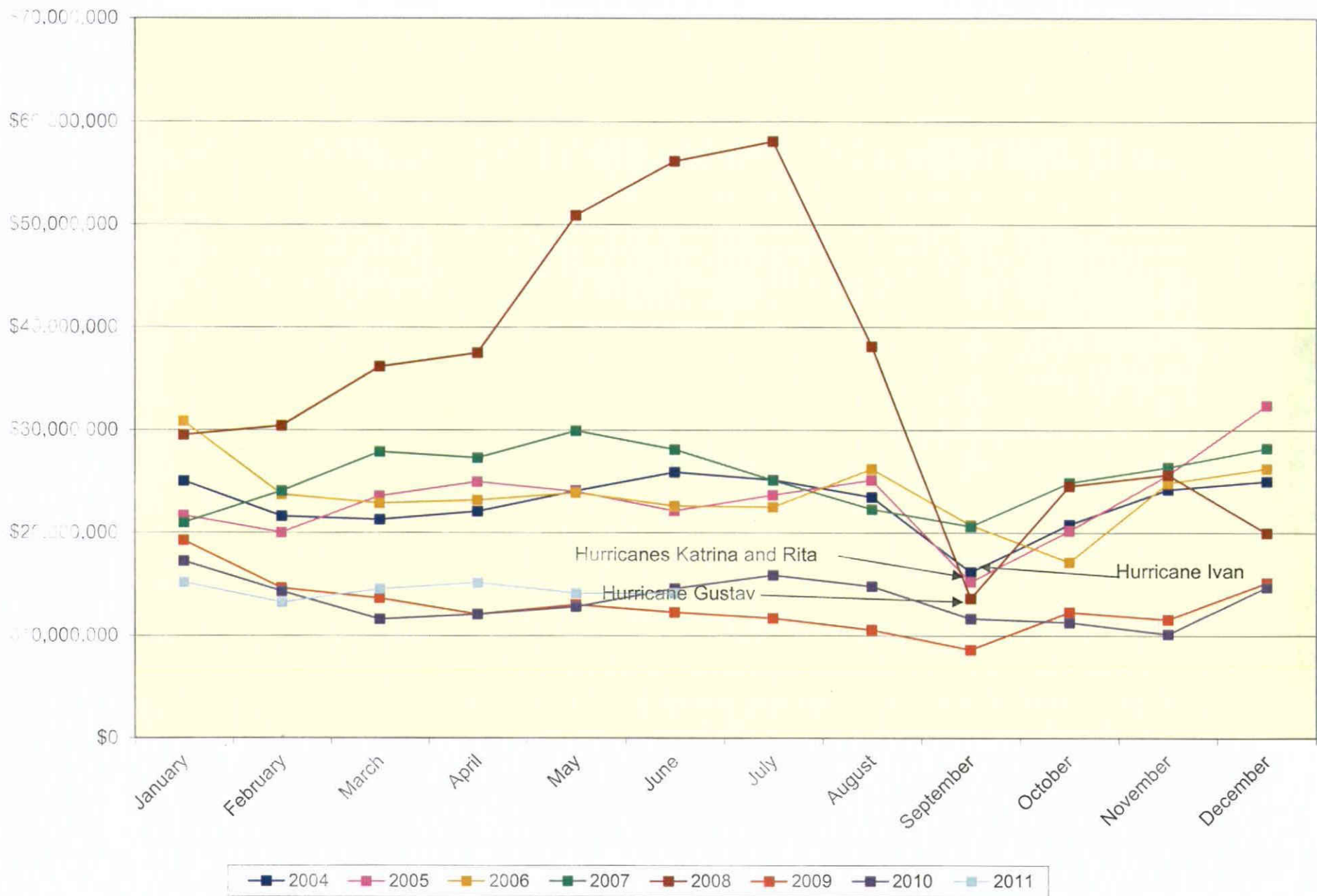


**Monthly Average Oil Prices**

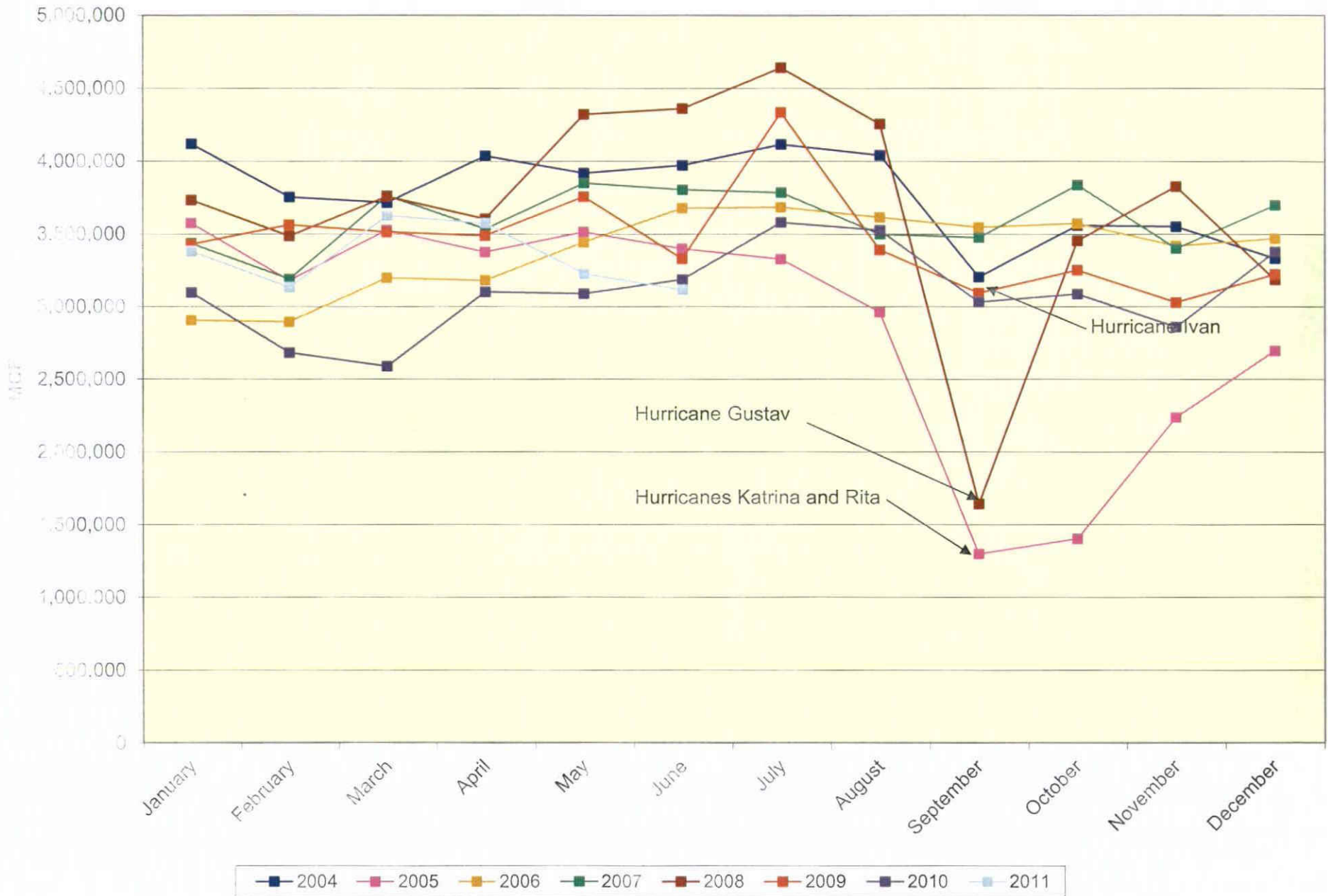
|        |          |
|--------|----------|
| Jan-04 | \$34.66  |
| Feb-04 | \$34.05  |
| Mar-04 | \$36.60  |
| Apr-04 | \$35.80  |
| May-04 | \$39.28  |
| Jun-04 | \$37.15  |
| Jul-04 | \$40.24  |
| Aug-04 | \$44.32  |
| Sep-04 | \$45.81  |
| Oct-04 | \$53.46  |
| Nov-04 | \$47.33  |
| Dec-04 | \$42.28  |
| 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  |
| Jun-10 | \$78.50  |
| Jul-10 | \$78.43  |
| Aug-10 | \$78.88  |
| Sep-10 | \$79.35  |
| Oct-10 | \$84.60  |
| Nov-10 | \$87.63  |
| Dec-10 | \$93.74  |
| Jan-11 | \$97.26  |
| Feb-11 | \$105.95 |
| Mar-11 | \$117.25 |
| Apr-11 | \$125.72 |
| May-11 | \$116.01 |
| Jun-11 | \$113.12 |
| Jul-11 | \$110.56 |
| Aug-11 | \$110.49 |
| Sep-11 | \$113.68 |

Source: Average of HLS Oil Spot @ Ellwood, Permian Basin \$/bbl and LLS Oil Spot @ Ellwood, Permian Basin \$/bbl

### Gas Royalty by Disposition Month



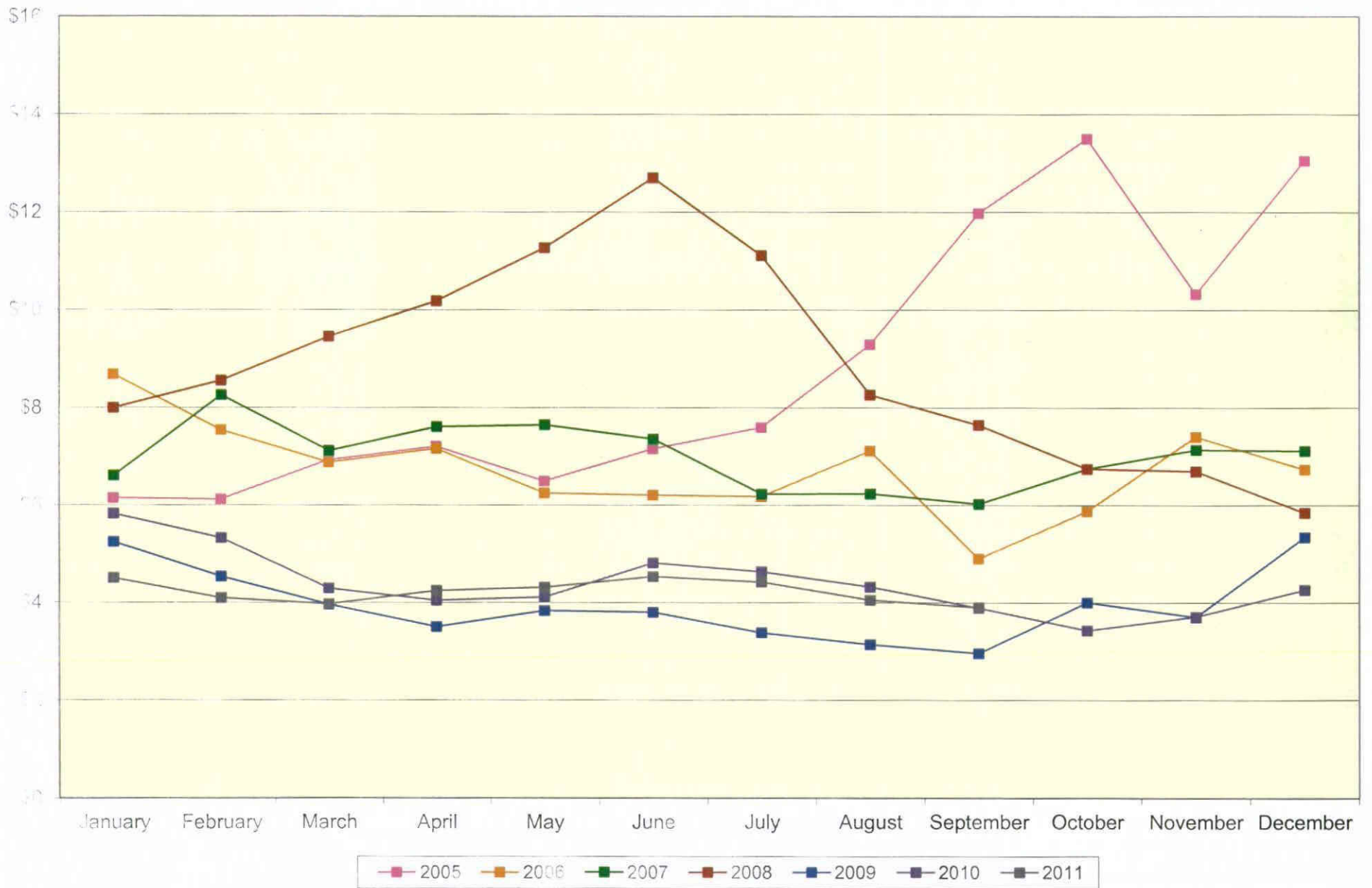
### Gas Volume by Disposition Month



## 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             | 3,431,417 7115 |
| February 2007            | 3,187,283 0760 |
| March 2007               | 3,758,706 9103 |
| April 2007               | 3,532,409 0063 |
| May 2007                 | 3,847,360 6544 |
| June 2007                | 3,801,646 8530 |
| July 2007                | 3,781,746 6914 |
| August 2007              | 3,496,860 8815 |
| September 2007           | 3,473,362 6860 |
| October 2007             | 3,833,954 5612 |
| November 2007            | 3,398,892 1836 |
| December 2007            | 3,696,247 7050 |
| January 2008             | 3,729,455 6573 |
| February 2008            | 3,482,844 4088 |
| March 2008               | 3,755,370 2053 |
| April 2008               | 3,601,627 8302 |
| May 2008                 | 4,319,909 4045 |
| June 2008                | 4,359,743 7806 |
| July 2008                | 4,640,151 4078 |
| August 2008              | 4,254,685 3993 |
| September 2008           | 1,642,277 2004 |
| October 2008             | 3,451,543 5045 |
| November 2008            | 3,824,754 8402 |
| December 2008            | 3,185,031 0640 |
| January 2009             | 3,425,688 9676 |
| February 2009            | 3,559,807 6049 |
| March 2009               | 3,510,392 0780 |
| April 2009               | 3,485,897 0214 |
| May 2009                 | 3,754,042 8683 |
| June 2009                | 3,327,855 4463 |
| July 2009                | 4,333,915 4605 |
| August 2009              | 3,390,359 6160 |
| September 2009           | 3,092,843 9962 |
| October 2009             | 3,250,488 9262 |
| November 2009            | 3,028,899 8437 |
| December 2009            | 3,222,521,5587 |
| January 2010             | 3,095,484 2177 |
| February 2010            | 2,682,411,5102 |
| March 2010               | 2,589,003 0616 |
| April 2010               | 3,100,455 0647 |
| May 2010                 | 3,089,451 1677 |
| June 2010                | 3,186,175 6628 |
| July 2010                | 3,577,741 1677 |
| August 2010              | 3,524,852 4487 |
| September 2010           | 3,031,408 7760 |
| October 2010             | 3,086,713 4566 |
| November 2010            | 2,859,576 2018 |
| December 2010            | 3,377,005 9670 |
| January 2011             | 3,379,270 0198 |
| February 2011            | 3,131,373 8619 |
| March 2011               | 3,623,980 0574 |

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

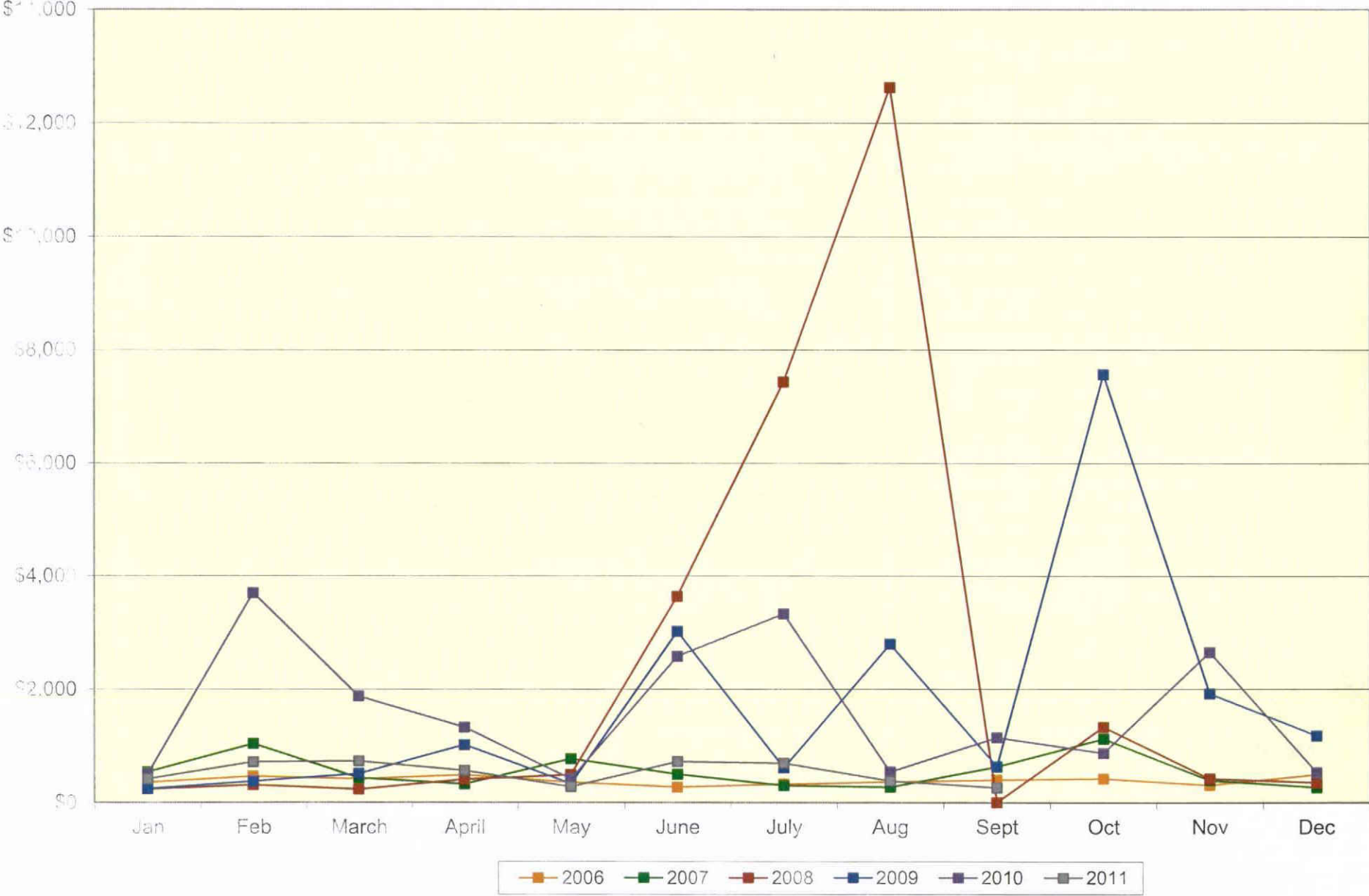


**Monthly Average Gas Prices**

|        |           |
|--------|-----------|
| 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 | \$6 840   |
| 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   |
| Jun-10 | \$4 810   |
| Jul-10 | \$4 630   |
| Aug-10 | \$4 320   |
| Sep-10 | \$3 890   |
| Oct-10 | \$3 430   |
| Nov-10 | \$3 710   |
| Dec-10 | \$4 260   |
| Jan-11 | \$4 500   |
| Feb-11 | \$4 090   |
| Mar-11 | \$3 970   |
| Apr-11 | \$4 240   |
| May-11 | \$4 310   |
| Jun-11 | \$4 930   |
| Jul-11 | \$4 440   |
| Aug-11 | \$4 100   |
| Sep-11 | \$3 900   |



### Price Per Acre



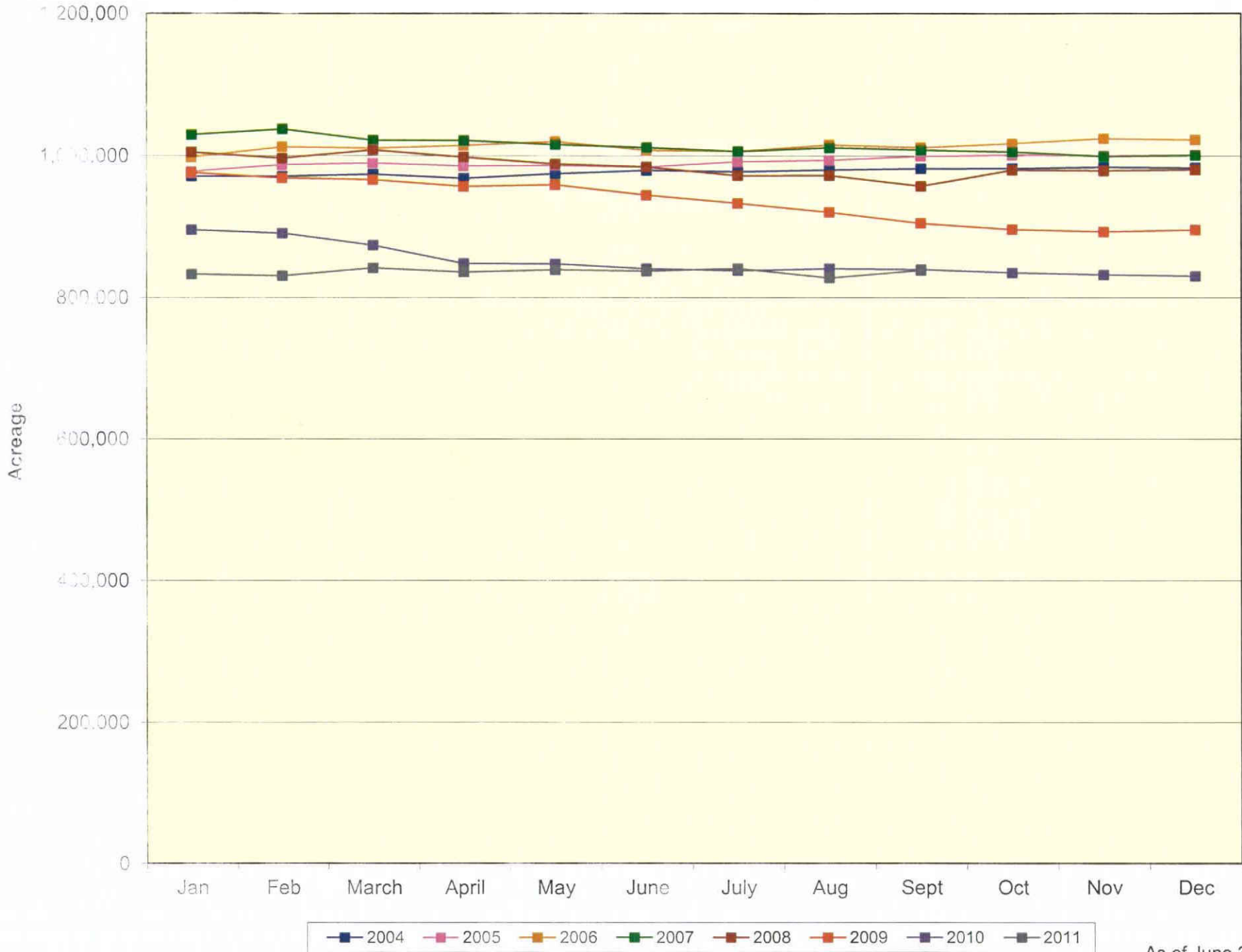
As of September 14, 2011 Lease Sale

Department of Natural Resources  
Office of Mineral Resources  
Lease Sale Statistics  
For Calendar Years 2006, 2007, 2008, 2009, 2010 and 2011

| Month          | No. of Tracts | No. of Acres | No. of Tracts | % of Nominated   | No. of Leases | No. of Acres | Total Bonuses   | Price Per<br>Acre |
|----------------|---------------|--------------|---------------|------------------|---------------|--------------|-----------------|-------------------|
|                | Nominated     | Nominated    | with Bids     | Tracts with Bids |               | Leased       |                 |                   |
| 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  | \$236.96          |
| 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          |
| June 2010      | 48            | 39,124.130   | 18            | 37.5%            | 20            | 2,353.460    | \$6,072,056.39  | \$2,580.06        |
| July 2010      | 29            | 2,924.129    | 26            | 89.7%            | 25            | 1,380.710    | \$4,596,455.32  | \$3,329.05        |
| August 2010    | 39            | 25,806.820   | 25            | 64.1%            | 26            | 6,898.420    | \$3,716,759.96  | \$538.78          |
| September 2010 | 43            | 46,609.856   | 22            | 51.2%            | 21            | 977.875      | 1,121,923.86    | \$1,147.31        |
| October 2010   | 46            | 26,701.987   | 28            | 60.9%            | 29            | 3,103.947    | 2,705,881.52    | \$871.76          |
| November 2010  | 39            | 32,525.955   | 20            | 51.3%            | 19            | 2,485.560    | 6,592,803.57    | \$2,652.44        |
| December 2010  | 51            | 14,392.033   | 23            | 45.1%            | 23            | 5,399.484    | 2,864,918.74    | \$530.59          |
| January 2011   | 58            | 79,128.832   | 20            | 34.5%            | 23            | 5,334.780    | 2,216,371.68    | \$415.46          |
| February 2011  | 17            | 7,385.028    | 10            | 58.8%            | 11            | 844.000      | 604,518.90      | \$716.25          |
| March 2011     | 159           | 232,779.075  | 35            | 22.0%            | 32            | 15,882.487   | 11,572,567.17   | \$728.64          |
| April 2011     | 42            | 20,698.055   | 20            | 47.6%            | 21            | 4,149.700    | 2,332,301.70    | \$562.04          |
| May 2011       | 25            | 16,015.022   | 17            | 68.0%            | 17            | 9,996.870    | 2,774,369.98    | \$277.52          |
| June 2011      | 49            | 40,887.477   | 22            | 44.9%            | 27            | 3,392.785    | 2,446,928.15    | \$721.22          |
| July 2011      | 79            | 37,441.099   | 50            | 63.3%            | 55            | 6,124.417    | 4,237,220.83    | \$691.86          |
| August 2011    | 39            | 44,249.773   | 18            | 46.2%            | 18            | 1,759.762    | 667,147.07      | \$379.11          |
| September 2011 | 53            | 28,555.630   | 38            | 71.7%            | 38            | 11,410.090   | 2,978,732.25    | \$261.06          |

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

### State Acreage Under Lease

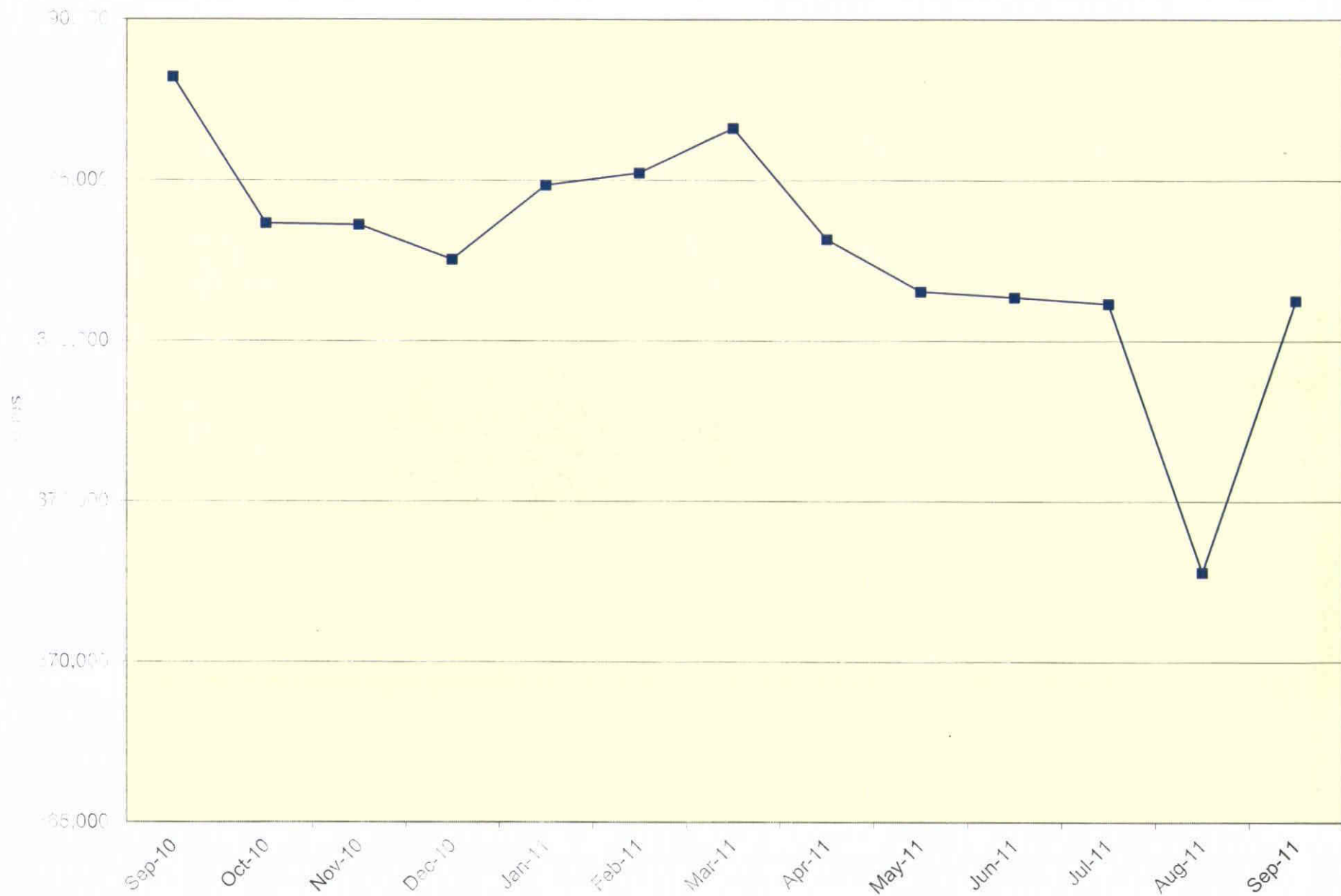


As of June 30, 2011

## 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      | 1,028,525      |
| 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         | 1,005,471      |
| August 2007       | 1,010,639      |
| 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     | 996,000        |
| March 2008        | 1,007,716      |
| April 2008        | 997,694        |
| May 2008          | 987,990        |
| June 2008         | 983,881        |
| 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      | 893,294        |
| February 2010     | 890,479        |
| March 2010        | 873,504        |
| April 2010        | 847,680        |
| May 2010          | 847,259        |
| June 2010         | 840,614        |
| July 2010         | 837,713        |
| August 2010       | 840,595        |
| September 2010    | 839,394        |
| October 2010      | 834,736        |
| November 2010     | 831,980        |
| December 2010     | 830,109        |
| January 2011      | 837,686        |
| February 2011     | 830,312        |
| March 2011        | 811,244        |
| April 2011        | 835,606        |
| May 2011          | 838,805        |
| June 2011         | 837,630        |
| July 2011         | 844,625        |
| August 2011       | 824,447        |
| September 2011    | 811,111        |

### Productive Acres



## Productive Acres

| <u>Month/Year</u> | <u>Acres</u> |
|-------------------|--------------|
| September 2010    | 388,202      |
| October 2010      | 383,647      |
| November 2010     | 383,605      |
| December 2010     | 382,530      |
| January 2011      | 384,839      |
| February 2011     | 385,221      |
| March 2011        | 386,613      |
| April 2011        | 383,160      |
| May 2011          | 381,538      |
| June 2011         | 381,360      |
| July 2011         | 381,156      |
| August 2011       | 372,779      |
| September 2011    | 381,254      |