

MINUTES

STATE MINERAL AND ENERGY BOARD

REGULAR MEETING AND LEASE SALE

OCTOBER 10, 2012

A Regular Meeting and Lease Sale of the State Mineral and Energy Board was held on Wednesday, October 10, 2012, beginning at 11:00 a.m. in the La Belle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

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

W. Paul Segura, Jr., Vice-Chairman
Thomas L. Arnold, Jr.
Stephen Chustz, DNR Interim Secretary
Emile B. Cordaro
John C. "Juba" Diez
Thomas W. Sanders
Darryl D. Smith
Chip Kline (sitting in for Garret Graves, Governor Jindal's designee to the Board)

The following members of the Board were recorded as absent:

Bay E. Ingram
Robert "Michael" Morton
Helen G. Smith

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

At this time, the Chairman entertained nominations for chairman of the Board. Mr. Arnold was recognized and nominated Mr. Segura to be the chairman of the Board. There being no other nominations, upon motion of Mr. Arnold and seconded by Mr. Chustz, Mr. Segura was elected chairman by acclamation. (No public comment was made at this time.)

The Chairman then entertained nominations for vice-chairman of the Board. Mr. Chustz was recognized and nominated Mr. Arnold to be the vice-chairman of the Board. There being no other nominations, upon motion of Mr. Chustz and seconded by Mr. Sanders, Mr. Arnold was elected vice-chairman by acclamation. (No public comment was made at this time.)

The next item on the agenda was ratification of certain documents signed by the Vice-Chairman of the Board in place of the Chairman. A motion was made by Mr. Arnold, 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 was the approval of the September 12, 2012 Minutes. A motion was made by Mr. Sanders to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Mr. Cordaro and unanimously adopted by the Board. (No public comment was made at this time.)

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

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

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

The Chairman then announced that the Board would recess its regular meeting at 11:06 a.m. and go into executive session for technical briefing in order to consider matters before the Board which were confidential in nature. A motion was made by Mr. Arnold, seconded by Mr. Sanders, and unanimously adopted by the Board.

During the technical briefing, the Board conferred with staff personnel concerning the merit of the bids that were submitted and opened earlier today at a public meeting*, based on geological, engineering and other confidential data and analyses available to the Board and staff, after which, upon motion of Mr. Arnold, seconded by Mr. Chustz, and unanimously adopted by the Board, the Board reconvened in open session at 11:14 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 a portion of Tract 42905, said portion being 134.56 acres more particularly described in said bid and outlined on accompanying plat, to Castex Energy Partners, LP.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 42907, said portion being 43.64 acres more particularly described in said bid and outlined on accompanying plat, to Castex Energy Partners, LP.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 42919, said portion being 23.000 acres more particularly described in said bid and outlined on accompanying plat, to Harold J. Anderson, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 42920, said portion being 433.050 acres more particularly described in said bid and outlined on accompanying plat, to Castex Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on another portion of Tract 42920, said portion being 255.000 acres more particularly described in said bid and outlined on accompanying plat, to Harold J. Anderson, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 42921, said portion being 52.27 acres more particularly described in said bid and outlined on accompanying plat, to Burrwood, LP.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to reject the bid on Tract 42931 for insufficient consideration and to re-advertise with minimums.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to reject the bid on Tract 42934 for insufficient consideration.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 42940, said portion being 296.640 acres more particularly described in said bid and outlined on accompanying plat, to Cathexis Oil & Gas, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 42942, said portion being 874.650 acres more particularly described in said bid and outlined on accompanying plat, to Harold J. Anderson, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 42950, said portion being 394.14 acres more particularly described in said bid and outlined on accompanying plat, to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 42952, said portion being 375.77 acres more particularly described in said bid and outlined on accompanying plat, to Castex Energy Partners, LP.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 42953, said portion being 105.81 acres more particularly described in said bid and outlined on accompanying plat, to Castex Energy Partners, LP.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 42954 to Castex Energy Partners, LP.

This concluded the awarding of the leases.

The following announcements were then made:

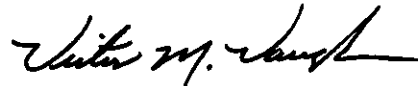
Ms. Talley stated that "the total for today's Lease Sale is \$1,360,942.60 bringing the fiscal year-to-date total to a little over \$7.1 million.

Also, next month's Lease Sale is on November 14th. Please make a note that Monday, November 12th is a state holiday and the offices will be closed. The deadline for submitting bids remains at 12:00 noon on Tuesday, the 13th."

The Chairman then 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.)**

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Sanders, seconded by Mr. Cordaro, the meeting was adjourned at 11:20 a.m.

Respectfully submitted,



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 10, 2012 MINUTES
BY REFERENCE**

A public meeting for the purpose of opening sealed bids was held on Wednesday, October 10, 2012, beginning at 8:34 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
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 10, 2012

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

Gentlemen:

Certified proofs of publication have been received in the Office of Mineral Resources on behalf of the State Mineral and Energy Board for the State of Louisiana from the "Advocate," official journal for the State of Louisiana, and from the respective parish journals as evidence that Tract Nos. 42905 through 42954, 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 Mr. Emile Fontenot.

OFFSHORE TRACTS

Tract 42905
(Portion – 134.56 acres)

Bidder	:	Castex Energy Partners, LP
Primary Term	:	Five (5) years
Cash Payment	:	\$47,365.12
Annual Rental	:	\$23,682.56
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 42906

No Bids

Tract 42907
(Portion – 43.64 acres)

Bidder	:	Castex Energy Partners, LP
Primary Term	:	Five (5) years
Cash Payment	:	\$15,361.28
Annual Rental	:	\$7,680.64
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 42908

No Bids

Tract 42909

No Bids

Tract 42910

No Bids

Tract 42911

No Bids

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Tract 42912

No Bids

Tract 42913

No Bids

Tract 42914

No Bids

Tract 42915

No Bids

Tract 42916

No Bids

Tract 42917

No Bids

Tract 42918

No Bids

Tract 42919
(Portion – 23.000 acres)

Bidder	:	Harold J. Anderson, Inc.
Primary Term	:	Five (5) years
Cash Payment	:	\$7,061.00
Annual Rental	:	\$3,531.00
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 42920
(Portion – 433.050 acres)

Bidder	:	Castex Energy, Inc.
Primary Term	:	Five (5) years
Cash Payment	:	\$176,251.35
Annual Rental	:	\$88,126.00
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 42920
(Portion – 255.000 acres)

Bidder	:	Harold J. Anderson, Inc.
Primary Term	:	Five (5) years
Cash Payment	:	\$78,285.00
Annual Rental	:	\$39,143.00
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 42921
(Portion – 52.27 acres)

Bidder	:	BURRWOOD, LP
Primary Term	:	Three (3) years
Cash Payment	:	\$11,081.24
Annual Rental	:	\$5,540.62
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 42922

No Bids

Tract 42923

No Bids

Tract 42924

No Bids

Tract 42925

No Bids

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Tract 42926

No Bids

Tract 42927

No Bids

Tract 42928

No Bids

Tract 42929

No Bids

Tract 42930

No Bids

INLAND TRACT

Tract 42931

Bidder	:	Eagle Stone Energy Partners, L.P.
Primary Term	:	One (1) year
Cash Payment	:	\$1,950.00
Annual Rental	:	N/A
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

STATE AGENCY TRACTS

Tract 42932

No Bids

Tract 42933

No Bids

Tract 42934

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$46,102.50
Annual Rental	:	\$23,051.25
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

ATCHAFALAYA DELTA WMA-ST. MARY TRACTS

Tract 42935

No Bids

Tract 42936

No Bids

Tract 42937

No Bids

Tract 42938

No Bids

Tract 42939

No Bids

Tract 42940
(Portion – 296.640 acres)

Bidder	:	Cathexis Oil & Gas, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$299,903.04
Annual Rental	:	\$149,951.52
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 42940
(Portion – 24.19 acres)

Bidder	:	Castex Energy Partners, LP
Primary Term	:	Three (3) years
Cash Payment	:	\$8,635.83
Annual Rental	:	\$4,317.92
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 42941

No Bids

Tract 42942
(Portion – 874.650 acres)

Bidder	:	Harold J. Anderson, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$311,375.40
Annual Rental	:	\$155,688.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 42943

No Bids

Tract 42944

No Bids

Tract 42945

No Bids

Tract 42946

No Bids

Tract 42947

No Bids

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Tract 42948

No Bids

Tract 42949

No Bids

Tract 42950
(Portion – 394.14 acres)

Bidder	:	Theophilus Oil, Gas & Land Services, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$148,590.78
Annual Rental	:	\$74,295.39
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 42951

No Bids

Tract 42952
(Portion – 375.77 acres)

Bidder	:	Castex Energy Partners, LP
Primary Term	:	Three (3) years
Cash Payment	:	\$228,092.39
Annual Rental	:	\$114,046.20
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 42953
(Portion – 105.81 acres)

Bidder	:	Castex Energy Partners, LP
Primary Term	:	Three (3) years
Cash Payment	:	\$37,245.12
Annual Rental	:	\$18,622.56
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

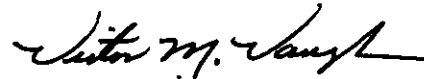
Tract 42954

Bidder	:	Castex Energy Partners, LP
Primary Term	:	Three (3) years
Cash Payment	:	\$330.88
Annual Rental	:	\$165.44
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

There being no further business, the meeting was concluded at 8:50 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 10, 2012 at 9:33 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. Darryl D. Smith, Mr. W. Paul Segura Jr., Mr. Thomas W. Sanders and Mr. Chip Kline (sitting in for Garrett Graves, Governor Jindal's designee to the State Mineral and Energy Board).

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 1,896 active State Leases covering nearly 848,000 acres. The Geological and Engineering Division has reviewed approximately 190 leases covering 94,000 acres.

II. Committee Review

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

The recommendation was to accept Cox's report and to grant Cox until April 10, 2013 to report on their continued development on the lease.

2. A staff report on **State Lease 799**, Grand Isle, Block 16 Field, Jefferson, Lafourche and Plaquemines Parishes. Energy XXI GOM, LLC is the lessee.

The recommendation was to accept Energy XXI's report and to grant Energy XXI until April 10, 2013 to submit a plan of development affecting the non-producing portions of this lease.

3. A staff report on **State Leases 3762 and 3763**, Vermilion Block 16 Field. Vermilion Parish. Harvest Oil & Gas, LLC is the operator.

The recommendation was that Harvest/Saratoga send a completion report on the State Lease 3763 No. 14 well to the Office of Mineral Resources staff within 15 days of the completion into the LF-H Sand.

4. A staff report on **State Lease 173**, Caddo Pine Island Field, Caddo Parish. Gemini Explorations, Inc. is lessee.

The recommendation was to accept Gemini's report and to grant Gemini until April 10, 2013 to report on any new plug and abandon (P&A) activity and their continued efforts to develop the lease.

III. Report on Force Majeure

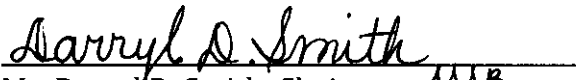
Updated 9/28/2012

Company Name	Lease Numbers
Leases Off Production Due to Non-storm Related Force Majeure Events	
Apache Corporation	A0137, 12105
Black Elk Energy	4237, 14905
Brammer Engineering	19141
Chevron	19534, 19536, 19547
Energy Properties Inc.	725
Hilcorp Energy Corp.	16100, 16293
Mack Energy	A0313
Saratoga / Harvest	A0311
Stone Energy	15074, 17309, A0285

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

On motion by Mr. Sanders, seconded by Mr. Arnold, the Committee moved to adjourn the October 10, 2012 meeting at 9:45 a.m.

Respectfully submitted,


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

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



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 1 New Orleans- East

Get Review Date October 10, 2012

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00195C		QUARANTINE BAY	QB 3 RB SU	7200	15357	OCT. OB RCD COX SUBMIT DRLG PRG RPT BY 9/12/12
00195C		QUARANTINE BAY, SOUTH	QB 3 RB SU	7200	15357	OCT. OB RCD COX SUBMIT DRLG PRG RPT BY 9/12/12
01732		POINTE A LA HACHE	VUG;DELACROIX	85	85	OCT. AR
06618		CHANDELEUR SOUND BLOCK 71	119.667 02/16/2004	50.961	50 961	OCT. AR
15339		SOUTH PASS BLOCK 6	77.212 09/03/2003	210.873	210.873	OCT. AR
16799		CHANDELEUR SOUND BLOCK 69		1031.6	1346.95	OCT. AR
16867		SOUTHEAST PASS		319.56	319.56	OCT. 8/22/12 REL REQD
18011		BRETON SOUND BLOCK 48		61.01	61.01	OCT. 8-22-12 REL RQD 8/15/12 RS TO JMB:APP EXP
19079		BRETON SOUND BLOCK 45	246.3 08/18/2011	85.53	85.53	OCT. AR
19718				0	425.25	OCT. PT 7/9/13
20160		MAIN PASS BLOCK 49	VUA;SL 19445 04/14/2010	101.23	101.23	OCT. 306346 LAST PRD 5/12, RECK PT 10/14/12
20646				0	598.8	OCT. PT 7/13/16
20710				0	94	OCT. 8/22/12 REL REQD NOV. 8/31/12 MNR RNTL SUBMITTED TOO LATE. LEASE EXP PT 8/10/14
20769		BAKER CREEK	TMS RA SUA;MURPHY 63 H 01/10/2012 1538	3.761	28.44	OCT. 9/7/12 EFF 1/10/12 JMB NEW W PLAT 244560 051030 TMS RA SUA 9/7/12 DD APPROVED TO 10/12/13 8/31/12 DDPMT TO JMB PT 10/12/14 SCHOOL INDEMNITY



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 1W New Orleans- West
Get Review Date October 10, 2012

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



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 1W New Orleans- West
Get Review Date October 10, 2012

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



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 1W New Orleans- West
Get Review Date October 10, 2012

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Rows include lease numbers 20115, 20379, 20456, 20484, 20499, 20512, 20679, 20680, and 20707 with corresponding field names and activity details.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 2 Lafayette
Get Review Date October 10, 2012

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains multiple rows of lease data including fields like CAILLOU ISLAND, LAKE BARRE, BAYOU SALE, DUCK LAKE, BELLE ISLE, and VERMILION BLOCK 16.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 2 Lafayette
Get Review Date October 10, 2012

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains multiple rows of lease data including Belle Isle, Lawson, Lake Arthur, South, Pass Wilson, Vermilion Block 16, Lake de Cade, East, Eugene Island Block 10, Kent Bayou, Bay St Elaine, Ship Shoal Block 66, Abbeville, Lapeyrouse, and Delta WMA.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 2 Lafayette
Get Review Date October 10, 2012

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 12 rows of lease data with details on acreage and review dates.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 3 Lake Charles- North

Get Review Date October 10, 2012

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00173		CADDO PINE ISLAND	242085-SL 173 11-002 12/29/2010	800	6500	OCT. OB RCD 9/17/12 GEMINI: PLUGGING RPTS FOR 4 WELLS: #86 207915, #84 207815, #7-3 46796, #66 200343
00542		LUCKY	VUD;NEBO OIL CO	120	120	OCT. AR 8/24/12 SAM: HBP = AR
02852		ANTIOCH	SMK B RA SUD; 01/09/2001 344-E-1 01-05	46	46	OCT. AR 8/24/12 SAM: HBP = AR
03552		LITTLE CREEK , TULLOS URANIA	3.802 08/21/1991	10.307	10.307	OCT. AR 8/24/12 SAM: HBP = AR
05156		ADA	HOSS A RA SUNN;COLE E 07/01/1990	31.438	34	OCT. AR 8/24/12 SAM: HBP = AR
06760		KINGSTON	HA RA SUA;MCCOY BROS LBR CO 5 11/18/2008 376-D	59.54	59.54	OCT. AR 9/19/12 SSB: 605725, 605727 614014 & 616130 PRDG TO 7/12
06964		ATHENS	15.49 03/23/1990	5.51	5.51	OCT. AR 8/24/12 SAM: HBP = AR
09600		REDOAK LAKE	U GR RA SUE;HANNA 03/01/1982	35.18	35.18	OCT. AR 8/24/12 SAM: HBP = AR
14574		ELM GROVE	HA RA SUZ;C M HUTCHINSON 37 H 11/13/2008 361-L-10	8.932	8.932	OCT. AR 8/24/12 SAM: HBP = AR
17064		PITKIN	AUS C RA SUJ;HUNT FRST PROD 31 03/10/1998 1412-A-4 98-166	34.305	34.305	OCT. AR 8/24/12 SAM: HBP = AR
17128		RED RIVER-BULL BAYOU	HA RB SU72;TRACY 3 01/05/2010 109-X-74 10-13	14.947	14.947	OCT. AR 8/24/12 SAM: HBP = AR
17221		INDIAN VILLAGE	6.572 12/02/2002	.228	.228	OCT. 9/17/12 REL RQD RS 9/12/12 SAM APP EXP. 2/12 LAST PRD
18353		KINGSTON	HA RA SUC; 11/18/2008 376-D 08-1791	117.05	117.05	OCT. AR 8/24/12 SAM: HBP = AR 8/11/11 SMEB ALLOWED ESCROW OF ROYALTIES
18370		ELM GROVE	HA RA SUGG;TENSAS DELTA A 07/08/2008 361-L-7 08-959	28.503	28.503	OCT AR 8/24/12 SAM: HBP = AR
19295		JOHNSON BRANCH	HA RA SULL;JPIL BEAIRD 27 H 08/19/2009 994-D-19 09-906	320	320	OCT. AR 3/20/12 2ND REQ SRVY PLAT PETROHAWK, ORDER 994-D-19, HA RA SULL, JOHNSON BRANCH, CADDO, 616168,
20091		CASPIANA	HA RA SU125;BROADWAY 29 H 11/10/2009 361-L-66 09-1187	.929	.929	OCT. SUGGEST AR, 8/24/12 SAM: HBP = AR PT 7/8/12



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 3 Lake Charles- North
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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 various fields like CASPIANA, GAHAGAN, ELM GROVE, and KING HILL.



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 3 Lake Charles- North
Get Review Date October 10, 2012

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Rows 20654-20990.



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 3 Lake Charles- North

Get Review Date October 10, 2012

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
20992				0	25	OCT. JPT: 8/20/12 ANADARKO E&P CO. HAS PROPOSED SEVERAL HAYNESVILLE UNITS AFFECTING THESE NEW STATE LEASES IN CADDO PINE ISLAND. PT 8/8/15
20993				0	752	OCT. JPT: 8/20/12 ANADARKO E&P CO. HAS PROPOSED SEVERAL HAYNESVILLE UNITS AFFECTING THESE NEW STATE LEASES IN CADDO PINE ISLAND. PT 8/8/15



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 3S Lake Charles- South

Get Review Date October 10, 2012

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
02048		BANCROFT, NORTH	VUA 07/01/1976	10.79	10.79	OCT. AR 9/26/12 RWB: 100% HBP 8/20/12 SSB: HBP 003765 6/12 \$6/12
04318		FRISCO , JUDGE DIGBY	20350 TUSC RC SUA; MARTIN ETAL 02/19/2008 1046-A-66 08-241	14.2	25	OCT. AR 9/26/12 RWB: HBP 8/20/12 ASKED RWB @ PRD AC 615205 UNSUCCESSFUL RECOMP. 27.18, NOW 14.2 PRD AC 8/20/12 SSB: HBP 045302 7/12, 615205 5/12 \$6/12
04917		OPELOUSAS	C 2 RH SUA; W H JARRELL 01/01/1977	7	19.42	OCT. AR 9/26/12 RWB: HBP 8/20/12 SSB: HBP 602679 6/12 \$5/12
15346		MONCRIEF	28.823 11/13/1998	13.177	13.177	OCT. AR 9/26/12 RWB: 100% HBP 8/20/12 SSB: HBP 048364. 048682 5/12 TC TITLE DISPUTE
15350		MONCRIEF	12.501 11/13/1998	3.499	3.499	OCT. AR 9/26/12 RWB: 100% HBP 8/20/12 SSB: HBP 048364. 048682 5/12 TC TITLE DISPUTE
15354		MONCRIEF	AUS C RA SUQ; TURNER 22 02/01/1997	34	34	OCT. AR 9/26/12 RWB: 100% HBP 8/20/12 SSB: HBP 048365 5/12 TC TITLE DISPUTE
15774		GILLIS-ENGLISH BAYOU	9.44 12/06/2004	33.66	33.66	OCT. AR 9/26/12 RWB: 100% HBP 8/20/12 SSB: HBP 613252 2 5/12
16505		FENTON, WEST , WILDCAT-SO LA LAFAYETTE DIST	HBV RB SUA; J D FOLLEY ETUX 1448-C	6.638	6.638	OCT AR 9/26/12 RWB: 100% HBP 8/20/12 SSB: HBP 613128 2 5/12
18646		LAKE ARTHUR, SOUTHWEST	45.859 09/14/2007	126.681	126.681	OCT. AR 9/26/12 RWB: 100% HBP 8/20/12 SSB: HBP 614697 5/12
18887		LAKE ARTHUR, SOUTHWEST	11.986 04/22/2009	34.014	34.014	OCT. AR 9/26/12 RWB: 100% HBP 8/20/12 SSB: HBP 614697 5/12
19072		GRAND CHENIERE	86.409 09/03/2009	21.591	21.591	OCT. AR 9/26/12 RWB: 100% HBP 8/20/12 SSB: HBP 615103 6/12
19354		MALLARD BAY	167.875 08/12/2011	84.259	84.259	OCT. AR 9/26/12 RWB: 100% HBP 8/20/12 SSB: HBP 615686 5/12
19401		GRAND LAKE	17.295 07/12/2011	119.402	119.402	OCT. AR 9/26/12 RWB: 100% HBP 8/20/12 SSB: BARELY HBP 615117 6/12, RECK PRD
19534				218.39	862.53	OCT. 9/12/12 SMB RECOGNIZED FM UNTIL 3/13/13
19536				315.555	1250	OCT. 9/12/12 SMB RECOGNIZED FM UNTIL 3/13/13
19547				228.826	762	OCT. 9/12/12 SMB RECOGNIZED FM UNTIL 3/13/13
20390		EDGERLY	Y RB SUA; LABOKAY CORP 11 10/05/2010 168-E 10-1016	.749	.749	OCT. 9/26/12 RWB: 100% HBP 7/27/12 EFF 5/10/12 JPT: 244172, 617436 Y RB SUA; PRELIM 145 PRDG 5/12;; PT



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: October 9, 2012 6:15 AM

District Code 3S Lake Charles- South

Get Review Date October 10, 2012

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
						7/14/13 TAX ADJUDICATED
20391		EDGERLY	Y RB SUA;LABOKAY CORP 11 10/05/2010 168-E 10-1016	1	1	OCT. 9/26/12 RWB: 100% HBP 7/27/12 EFF 5/10/12 JPT: 244172, 617436 Y RB SUA; PRELIMINARY 145 PRDG 5/12;; PT 7/14/13 TAX ADJUDICATED
20392		EDGERLY	Y RB SUA;LABOKAY CORP 11 10/05/2010 168-E 10-1016	3	3	OCT. 9/26/12 RWB: 100% HBP 7/27/12 EFF 5/10/12 JPT: 244172, 617436 Y RB SUA; PRELIMINARY 145 PRDG 5/12;; PT 7/14/13 TAX ADJUDICATED
20393		EDGERLY	Y RB SUA;LABOKAY CORP 11 10/05/2010 168-E 10-1016	3	3	OCT. 9/26/12 RWB: 100% HBP 7/27/12 EFF 5/10/12 JPT: 244172, 617436 Y RB SUA; PRELIMINARY 145 PRDG 5/12;; PT 7/14/13 TAX ADJUDICATED
20394		EDGERLY	Y RB SUA;LABOKAY CORP 11 10/05/2010 168-E 10-1016	3	3	OCT. 9/26/12 RWB: 100% HBP 7/27/12 EFF 5/10/12 JPT: 244172, 617436 Y RB SUA; PRELIMINARY 145 PRDG 5/12;;PT 7/14/13 TAX ADJUDICATED
20395		EDGERLY	Y RB SUA;LABOKAY CORP 11 10/05/2010 168-E 10-1016	1	1	OCT. 9/26/12 RWB: 100% HBP 7/27/12 EFF 5/10/12 JPT: 244172, 617436 Y RB SUA; PRELIMINARY 145 PRDG 5/12;;PT 7/14/13 TAX ADJUDICATED
20672		HARMONY CHURCH	U WX RA SUA;MERIWETHER 01/04/2012 1120-H 12-4	25.62	27	OCT. 9/17/12 PR RQD 9/11/12 RS RWB 1.38 NP AC 8/2/12 2ND REQ: 4/26/12 SRVY PLAT RQD UNION GAS; UPPER WILCOX ZONE RA SUA 244278; 050920 PT 7/13/14
20673				0	27	OCT. 2012 RNTL PD PT 7/13/14
20674				0	7	OCT. 2012 RNTL PD PT 7/13/14 8/20/12 JPT:ZACHARY EXPL LLC PROPOSED TWEEDEL ZONE RA SUA UNIT IN E. RICHIE FIELD
20675				0	62	OCT. 2012 RNTL PD PT 7/13/14
20676				0	77	OCT. 2012 RNTL PD PT 7/13/14 1/30/12 JPT: SQ MI ENGY PROPOSING RESTARTING PRD 610881, INCLUDING THIS LEASE. REVISED TRNMTL FORTHCOMING.
20678				0	85	OCT. 9/27/12 RS RWB: APP EXP 9/11/12 RNTL, ACTIVITY, OR EXP < 244176 HET RA SUA;R J PERRIN ETAL 001 6/11/12 SI DH NFU 17,320' PT 7/13/14
20703				0	14	OCT. 2012 RNTL PD PT 8/10/14
20704				0	63	OCT. 2012 RNTL PD PT 8/10/14



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

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

NOMINATION AND TRACT COMMITTEE REPORT

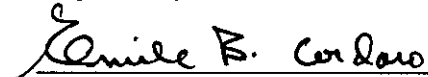
The Nomination and Tract Committee, convened at **9:44 a.m.** on Wednesday, **October 10, 2012** with the following members of the Board in attendance:

Mr. Thomas L. Arnold, Jr.	Mr. Emile B. Cordaro	Mr. John C. Diez
Mr. Thomas W. Sanders	Mr. Paul Segura, Jr.	Mr. Chip Kline (sitting in for Garret Graves, Gov. Jindal's Designee)
	Mr. Darryl D. Smith	

The Committee heard the report of Mr. Emile Fontenot, relative to nominations received for the December 12, 2012 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Sanders**, duly seconded by **Mr. Segura**, 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 the motion of **Mr. Sanders**, seconded by **Mr. Arnold**, voted to adjourn at **9:45 a.m.**

Respectfully Submitted,

Handwritten signature of Emile B. Cordaro in black ink, with a small "by S.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. Sanders*, seconded by, *Mr. Segura*, the following Resolution was offered and adopted:

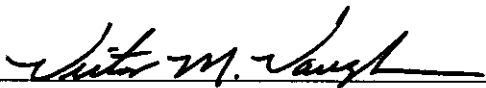
WHEREAS, Mr. Emile Fontenot presented to the State Mineral and Energy Board that 41 tracts had been nominated for the December 12, 2012 Mineral Lease Sale, and that same are to be advertised pending staff review; now therefore

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 10th day of October 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD



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 10, 2012, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Thomas L. Arnold, Jr.
Emile B. Cordaro
John C. "Juba" Diez

Chip Kline
Thomas W. Sanders
W. Paul Segura, Jr.

Darryl D. Smith

Mr. Thomas L. Arnold, Jr. convened the Committee at 9:46 a.m.

The first matter considered by the Committee was a recoupment request from Contango Operators, Inc.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Segura, the committee voted unanimously to approve the recoupment request of \$512,993.89.

The second matter considered by the committee was a recoupment request from Harvest Group, LLC.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Smith, the committee voted unanimously to approve the recoupment request of \$95,033.80.

The third matter considered by the committee was a recoupment request from Harvest Oil & Gas, LLC.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Cordaro, the committee voted unanimously to approve the recoupment request of \$47,743.41.

The fourth matter considered by the committee was a penalty waiver request from Energy XXI GOM, LLC.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Sanders, the committee voted unanimously to approve the 100% penalty waiver of \$101,361.11.


The fifth matter considered by the committee was a penalty waiver request from Swift Energy Operating, LLC.

Staff recommended that no penalty be waived. Representatives from Swift Energy Operating, LLC addressed the Board to request a penalty waiver of 100%. Upon motion of Mr. Sanders, seconded by Mr. Smith, the committee voted unanimously to approve the 100% penalty waiver of \$254,685.33.

The sixth matter considered by the Committee was the election of the October 2012 gas royalty to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

On motion of Mr. Sanders, seconded by Mr. Smith, the Board voted unanimously to adjourn the Audit Committee at 10:02 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. Segura, the following resolution was offered and unanimously adopted:

WHEREAS, Contango Operators, Inc. has made a letter application for an adjustment of \$512,993.89 for the Eugene Island Block 6 and Eugene Island Block 10 Fields, State Leases 18640, 18860, 19155, 19261, 19266, 19269, 19397; and

WHEREAS, this amount was based on Contango Operators, Inc. submitting an overpayment of oil royalties based on incorrect volumes and values for the period of August 2011 in the Eugene Island Block 6 and Eugene Island Block 10 Fields; and

WHEREAS, the Mineral Income Division has verified that an overpayment in the amount of \$512,993.89 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 Contango Operators, Inc. to recoup the \$512,993.89 overpayment.

NOW, BE IT THEREFORE RESOLVED, that the Board does authorize and direct the Mineral Income Director to effectuate the credit adjustment of \$512,993.89 to Contango Operators, 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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

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

WHEREAS, Harvest Group, LLC has made a letter application for an adjustment of \$95,033.80 for the Breton Sound Block 18 field, State Lease 16823; and

WHEREAS, this amount was based on Harvest Group, LLC submitting an overpayment of oil royalties based on incorrect volumes and values for the period of March 2012 in the Breton Sound Block 18 field; and

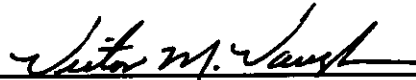
WHEREAS, the Mineral Income Division has verified that an overpayment in the amount of \$95,033.80 was made and that the applicant is entitled to a credit adjustment; and

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 Harvest Group, LLC to recoup the \$95,033.80 overpayment.

NOW, BE IT THEREFORE RESOLVED, that the Board does authorize and direct the Mineral Income Director to effectuate the credit adjustment of \$95,033.80 to Harvest Group, LLC 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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

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

WHEREAS, Harvest Oil & Gas, LLC has made a letter application for an adjustment of \$47,743.41 for the Grand Bay field, State Lease 195; and

WHEREAS, this amount was based on Harvest Oil & Gas, LLC submitting an overpayment of oil royalties based on incorrect volumes and values for the period of March 2011 in the Grand Bay field; and

WHEREAS, the Mineral Income Division has verified that an overpayment in the amount of \$47,743.41 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 Harvest Oil & Gas, LLC to recoup the \$47,743.41 overpayment.

NOW, BE IT THEREFORE RESOLVED, that the Board does authorize and direct the Mineral Income Director to effectuate the credit adjustment of \$47,743.41 to Harvest Oil & Gas, LLC 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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

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

WHEREAS, Energy XXI GOM, LLC has made a letter application for reduction of penalties assessed in the amount of \$101,361.11 due to late royalty payments in the Timbalier Bay Offshore (8971) and Main Pass Block 74 (6434), State Leases 1423, 13287, and 15042; and

WHEREAS, the Mineral Income Division has verified that the underpayment of royalties was discovered and paid by Energy XXI GOM, LLC and does recommend that the penalty be waived;

THEREFORE BE IT RESOLVED, that the Board does waive one hundred percent (100%), which amounts to \$101,361.11 of the total penalty assessed to Energy XXI GOM, LLC.

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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

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, Swift Energy Operating, LLC has made a letter application for reduction of penalties assessed in the amount of \$254,685.33 due to late royalty payments in Lake Washington (5759), Pitkin (7392), Bay De Chene (0349), and Cote Blanche Island (2920); State Leases 00212, 01464, 17266, 17267, 19490, 18015, 17722, 17721, 18907, 17990, 16835, 16836, 00356, 01217, and 00340; and

WHEREAS, the Mineral Income Division has verified that the underpayment of royalties was discovered and paid by Swift Energy Operating, LLC and does recommend that the penalty be waived;

THEREFORE BE IT RESOLVED, that the Board does waive one hundred percent (100%), which amounts to \$254,685.33 of the total penalty assessed to Swift Energy Operating, LLC.

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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD



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 10, 2012, following the Audit Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Mr. Thomas W. Sanders
Mr. W. Paul Segura, Jr.
Mr. Darryl David Smith
Mr. Chip Kline for Garret Graves
(Governor's Designee)

Mr. Thomas L. Arnold, Jr.
Mr. John C. "Juba" Diez
Mr. Emile R. Cordaro

The Legal and Title Controversy Committee was called to order by Mr. Sanders at 10:02 a.m.

The first matter considered by the Committee was a request for final approval of a Lease Amendment by and between the State of Louisiana, through the State Mineral and Energy Board, and Chevron U.S.A. Inc., whereas said parties desire to amend any prior shut-in payment clause presently found in said Lease with new oil shut-in payment clause, affecting State Lease Nos. 20571, 20572, 20573, 20574, 20575 and 20576, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-31.

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 final approval of the Lease Amendment by and between the State of Louisiana, through the State Mineral and Energy Board, and Chevron U.S.A. Inc. on the Docket as Item No. 12-31. No comments were made by the public.

The second matter considered by the Committee was a request for final approval of an Operating Agreement by and between the State of Louisiana, through the State Mineral and Energy Board and Louisiana Onshore Properties, LLC, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 22.5% before payout, increasing to 23.5% after payout, in and to the Operating Tract, whereas operator desire and intends to obtain production from the CM RA SUH, covering a portion of former State Lease No. 19945, containing .694 more or less, Iberia, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-33.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Cordaro, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Operating Agreement by and between the State of Louisiana, through the State Mineral and Energy Board and Louisiana Onshore Properties, LLC, on the Docket as Item No. 12-33. No comments were made by the public.

The third matter considered by the Committee was a request for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2652, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-34.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P. on the docket on the as Item No. 12-34. No comments were made by the public.

The fourth matter considered by the Committee was a request for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2651, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-35.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P. on the docket on the as Item No. 12-35. No comments were made by the public.

The fifth matter considered by the Committee was a request for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 3279, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-36.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., on the docket on the as Item No. 12-36. No comments were made by the public.

The sixth matter considered by the Committee was a request for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 3010, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-37.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P. on the docket on the as Item No. 12-37. No comments were made by the public.

The seventh matter considered by the Committee was a request for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision other required clauses, affecting State Lease No. 3052, Vermilion Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-38.

Upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., on the docket on the as Item No. 12-38. No comments were made by the public.

The eighth matter considered by the Committee was a request for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 15736, Assumption Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-39.

Upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., on the docket on as Item No. 12-39. No comments were made by the public.

The ninth matter considered by the Committee was a request for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2234, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-40.

Upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., on the docket as Item No. 12-40. No comments were made by the public.

The tenth matter considered by the Committee was a request for final approval of an Amendment of that certain Unitization Agreement, dated April 14, 2010, by and between the State of Louisiana and Gulf Explorer, L.L.C., which created the Gulf Production Company-Main Pass Block 49 Field- Voluntary Unit "A", whereas said parties desire and agree to amend said unit : a) by deleting Exhibits "A" and "B" and replacing same with Exhibits "A" and "B" attached to this Amendment; b) and by deleting in Paragraph 1 the reference to State Lease Nos. 19445, 19446 and 20160 and replacing same with State Lease Nos. 19445, 19446, 20160, 20762 and 20764; c) and by replacing any reference in the Unitization Agreement to 217.97 acres with 381.98 acres, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-41.

Upon motion of Mr. Segura, seconded by Mr. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Amendment of that certain Unitization Agreement, dated April 14, 2010, by and between the State of Louisiana and Gulf Explorer, L.L.C on the Docket as Item 12-41. No comments were made by the public.

The eleventh matter considered by the Committee was a request by Staff to rescind State Lease No. 21026 which was awarded as a state lease at the August 8, 2012 Mineral Lease Sale and to approve awarding this lease as State Agency Lease No. 21026.

Upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to recommend that the State Mineral and Energy Board rescind State Lease No. 21026 which was awarded as a state lease at the August 8, 2012 Mineral Lease Sale and to approve awarding this lease as State Agency Lease No. 21026. No comments were made by the public.

The twelfth matter considered by the Committee was a request by Brammer Engineering Inc. for an extension of previously granted authority to escrow funds attributable to Unit Tract 7 of the 15000 RC SUA located in Section 36, Township 14 South, Range 5 West, Grand Cheniere Field in Cameron Parish. State Lease No. 20361 covers Unit Tract 7, and said acreage is presently involved in a title dispute.

Upon motion of Mr. Arnold, seconded by Mr. Diez, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant an extension of the previously granted authority to escrow funds attributable to Unit Tract 7 of the 15000 RC SUA located in Section 36, Township 14 South, Range 5 West, Grand Cheniere Field in Cameron Parish, subject to the standard escrow requirements

established by OMR, for a period not to exceed ninety (90) days from October 9, 2012. No comments were made by the public.

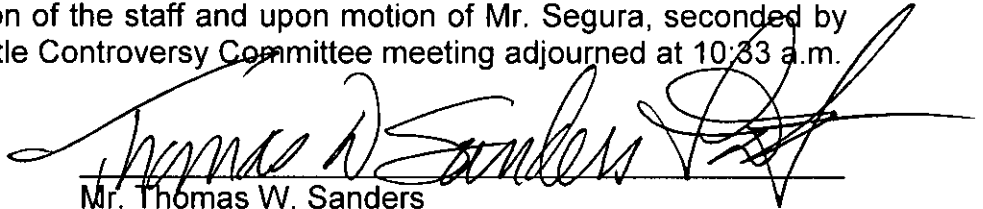
Upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee voted unanimously to go into Executive Session at 10:12 A.M.

Upon motion of Mr. Segura, seconded by Mr. Arnold, the Committee voted unanimously to return to Open Session at 10:32 A.M.

The thirteenth matter considered by the Committee was a discussion in executive session of the suits entitled: Clayton Williams Energy, Inc. v. Brandon J. Carter, Jr., et al, #10-16392, Cameron Parish, Louisiana and Clayton Williams Energy, Inc. v. Carter-Butler Properties, L.P., et al, #10-18152, Cameron Parish, Louisiana.

Upon motion of Mr. Smith, seconded by Mr. Arnold, the Committee voted unanimously to recommend that the State Mineral and Energy Board authorize further negotiations based upon settlement amounts discussed in executive session.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Arnold, the Legal and Title Controversy Committee meeting adjourned at 10:33 a.m.



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

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

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:

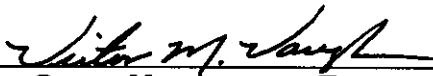
WHEREAS, a request was made for final approval of a Lease Amendment by and between the State of Louisiana, through the State Mineral and Energy Board, and Chevron U.S.A. Inc., whereas said parties desire to amend any prior shut-in payment clause presently found in said Lease with new oil shut-in payment clause, affecting State Lease Nos. 20571, 20572, 20573, 20574, 20575 and 20576, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-31;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the State Mineral and Energy Board, and Chevron U.S.A. Inc. on the Docket as Item No. 12-31.

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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

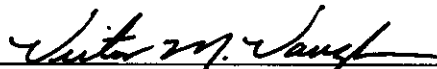
WHEREAS, a request was made for final approval of an Operating Agreement by and between the State of Louisiana, through the State Mineral and Energy Board and Louisiana Onshore Properties, LLC, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 22.5% before payout, increasing to 23.5% after payout, in and to the Operating Tract, whereas operator desire and intends to obtain production from the CM RA SUH, covering a portion of former State Lease No. 19945, containing .694 more or less, Iberia, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-33;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the Operating Agreement by and between the State of Louisiana, through the State Mineral and Energy Board and Louisiana Onshore Properties, LLC, on the Docket as Item No. 12-33.

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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

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RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

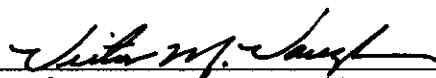
WHEREAS, a request was made for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2652, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-34;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P. on the docket on the as Item No. 12-34.

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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

WHEREAS, a request was made for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2651, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-35;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P. on the docket on the as Item No. 12-35.

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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

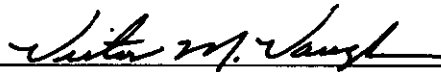
WHEREAS, a request was made for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 3279, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-36;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., on the docket on the as Item No. 12-36.

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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

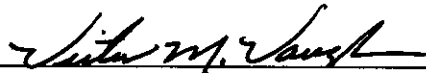
WHEREAS, a request was made for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 3010, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-37;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P. on the docket on the as Item No. 12-37.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

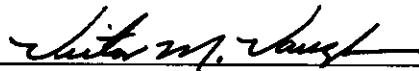
WHEREAS, a request was made for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision other required clauses, affecting State Lease No. 3052, Vermilion Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-38;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., on the docket on the as Item No. 12-38.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

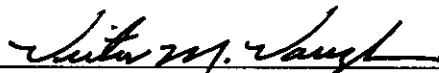
WHEREAS, a request was made for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 15736, Assumption Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-39;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., on the docket as Item No. 12-39.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

WHEREAS, a request was made for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2234, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-40;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., on the docket as Item No. 12-40.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

WHEREAS, a request was made for final approval of an Amendment of that certain Unitization Agreement, dated April 14, 2010, by and between the State of Louisiana and Gulf Explorer, L.L.C., which created the Gulf Production Company-Main Pass Block 49 Field- Voluntary Unit "A", whereas said parties desire and agree to amend said unit : a) by deleting Exhibits "A" and "B" and replacing same with Exhibits "A" and "B" attached to this Amendment; b) and by deleting in Paragraph 1 the reference to State Lease Nos. 19445, 19446 and 20160 and replacing same with State Lease Nos. 19445, 19446, 20160, 20762 and 20764; c) and by replacing any reference in the Unitization Agreement to 217.97 acres with 381.98 acres, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 12-41;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant final approval of the Amendment of that certain Unitization Agreement, dated April 14, 2010, by and between the State of Louisiana and Gulf Explorer, L.L.C on the Docket as Item 12-41.

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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

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:

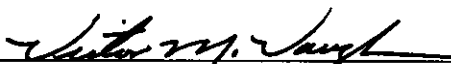
WHEREAS, a request was made by Staff to rescind State Lease No. 21026 which was awarded as a state lease at the August 8, 2012 Mineral Lease Sale and to approve awarding this lease as State Agency Lease No. 21026;

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 State Lease No. 21026 which was awarded as a state lease at the August 8, 2012 Mineral Lease Sale and to approve awarding this lease as State Agency Lease No. 21026.

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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

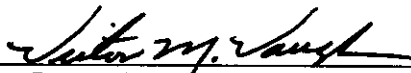
WHEREAS, a request was made by Brammer Engineering Inc. for an extension of previously granted authority to escrow funds attributable to Unit Tract 7 of the 15000 RC SUA located in Section 36, Township 14 South, Range 5 West, Grand Cheniere Field in Cameron Parish. State Lease No. 20361 covers Unit Tract 7, and said acreage is presently involved in a title dispute;

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 an extension of the previously granted authority to escrow funds attributable to Unit Tract 7 of the 15000 RC SUA located in Section 36, Township 14 South, Range 5 West, Grand Cheniere Field in Cameron Parish, subject to the standard escrow requirements established by OMR, for a period not to exceed ninety (90) days from October 9, 2012.

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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

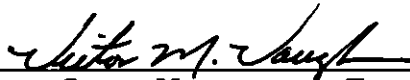
WHEREAS, a discussion in executive session was held in regard to the suits entitled: Clayton Williams Energy, Inc. v. Brandon J. Carter, Jr., et al, #10-16392, Cameron Parish, Louisiana and Clayton Williams Energy, Inc. v. Carter-Butler Properties, L.P., et al, #10-18152, Cameron Parish, Louisiana;

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 authorize further negotiations based upon settlement amounts discussed in executive session.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD



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 10:32 a.m. on Wednesday, October 10, 2012. Board Members present were Mr. Stephen Chustz, DNR Interim Secretary, John C. "Juba" Diez, Mr. W. Paul Segura, Jr., Mr. Thomas W. Sanders, Mr. Thomas L. Arnold, Jr., Mr. Emile Cordaro, Mr. Darryl D. Smith and Mr. Chip Kline (sitting in for Garret Graves, Governor Jindal's designee to the State Mineral and Energy Board)

The Committee made the following recommendations:

Approve State Agency Lease A on page 1;

Approve all Assignments on pages 2 through 7; No. 10 on page 5 would be approved subject to the approval of the Governor of Louisiana;

Approve Docket Item Nos. 12-32 on page 8;

Approve the following items upon recommendation of the Legal and Title Controversy Committee: Docket Item Nos. 12-31, 12-33, 12-34, 12-35, 12-36, 12-37, 12-38, 12-39, 12-40 and 12-41 on pages 8, 9 and 10.

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

There being no further business to come before the committee, upon motion of Mr. Arnold, and seconded by Mr. Sanders, the committee voted unanimously to adjourn the meeting at 10:34 a.m.

Respectfully submitted,

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

Mr. 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. Sanders, seconded by Mr. Arnold, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the October 10, 2012 Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Pointe Coupe Parish Police Jury, dated August 12, 2012, awarded to Angelle & Donohue Oil & Gas Properties, Inc., covering lands located in Sections 17 and 18, Township 6 South, Range 7 East, Pointe Coupee Parish, Louisiana, containing 23.42 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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Arnold, 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 10, 2012 Meeting be approved, said instrument being an Assignment from Kare-Sue Energy, Inc. to Louisiana Onshore Properties LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 20826, 20828 and 20829, Iberia Parish, Louisiana, with further particulars being stipulated in the instrument.

Louisiana Onshore 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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Arnold, 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 10, 2012 Meeting be approved, said instrument being an Assignment from Century Exploration Houston, LLC to HLP Gulf States, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 20673 and 20741, Allen Parish, Louisiana, with further particulars being stipulated in the instrument.

HLP Gulf States, 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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Arnold, 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 10, 2012 Meeting be approved, said instrument being an Assignment from Manti Equity Partners, LP, Manti Exploration and Production, Inc., Sunbelt Energy Properties – Model T, LLC and Sunbelt Energy Properties – Jambalaya, LLC to Integrated Exploration and Production, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 17073, 17074, 17086 and 17088, St. Bernard Parish, Louisiana, with further particulars being stipulated in the instrument.

Integrated Exploration and Production, 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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Arnold, 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 10, 2012 Meeting be approved, said instrument being an Assignment from MTS Resources, LLC to Integrated Exploration and Production, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 17073, 17074, 17086, 17088, 17143, 17545, 17546 and 17655, St. Bernard Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** to that portion of the State Lease Nos. 17086 and 17088 lying within the boundary of the CRIS I RA SUA, **INSOFAR AND ONLY INSOFAR AS** to that portion of State Lease Nos. 17143, 17545, 17546 and 17655 lying within the boundaries of the Lake Borgne VUE, with further particulars being stipulated in the instrument.

Integrated Exploration and Production, 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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Arnold, 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 10, 2012 Meeting be approved, said instrument being an Assignment from Champion Exploration, LLC to Century Exploration New Orleans, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 17674, 17675, 18549, 19050, 19080, 19391 and 19669, Plaquemines Parish, Louisiana, **RESERVING** all rights to that portion of SL 19391 situated within the UV 3-B RA VUA, **AND INsofar AND ONLY INsofar AS** to rights from the surface down to the stratigraphic equivalent of 11,413', with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Arnold, 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 10, 2012 Meeting be approved, said instrument being an Assignment from Flare Resources, Inc. to LLOG Exploration Company, L.L.C., an undivided 2.25% of 8/8ths working interest in and to State Lease No. 20835, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Arnold, 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 10, 2012 Meeting be approved, said instrument being an Assignment from Pride Oil & Gas Properties, Inc. to Petrus Energy, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 20953 and 20954, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Arnold, 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 10, 2012 Meeting be approved, said instrument being an Assignment from Aspect Resources LLC to Noble Energy, Inc., successor by Merger with Samedan Oil Corporation, of all of Assignor's right, title and interest in and to State Lease No. 17221, Jefferson Davis Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** from the surface of the earth down to the base of the 4,900' Sand Reservoir A, with further particulars being stipulated in the instrument.

Noble Energy, 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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Arnold, 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 10, 2012 Meeting be approved, said instrument being an Assignment from Aspect Resources LLC to Aspect Energy, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 16505 and 17221, Jefferson Davis Parish, Louisiana, with further particulars being stipulated in the instrument.

Aspect 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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Arnold, 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 10, 2012 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being an Assignment from Burlington Resources Oil & Gas Company LP and The Louisiana Land & Exploration Company to Hilcorp Energy I, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 199, 301, 340, 724, 2826, 3090, 3132, 3403, 10251, 10835, 11233, 11279, 11282, 12897, 13403, 15110, 15784, 16100, 16103, 16244, 16293, 16790, 17036, 17037, 17038, 17040, 18167, 18345, 18348, 19475, 20263 and "A0291", Iberia, Lafourche, St. Mary and Terrebonne Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** State Lease Nos. 199, 15785, 16790, 18167, 18345, 19475 and 20263 covers and includes depths and rights from the surface of the earth down to a true vertical depth of 18.066' below the surface of the earth, Bay St. Elaine Field, **INSOFAR AND ONLY INSOFAR AS** State Lease Nos. 2826 and 3090 covers and includes depths and rights from the surface of the earth down to a true vertical depth of 21,410' below the surface of the earth, outside of the X RA SUA, Caillou Island Field, **INSOFAR AND ONLY INSOFAR AS** State Lease No. 301 covers and includes depths and rights from the surface of the earth down to a true vertical depth of 21,410' below the surface of the earth, **INSOFAR AND ONLY INSOFAR AS** State Lease No. 301 covers and includes depths and rights from the surface of the earth down to a true vertical depth of 20,000' below the surface of the earth, within the X RA SUA, Lake Barre Field, **INSOFAR AND ONLY INSOFAR AS** State Lease Nos. 3132, 10251, 10835, 11279, 11282, 12897 and 13403 covers and includes depths and rights from the surface of the earth down to a true vertical depth of 17,700' below the surface of the earth, East Lake Sand Field, **INSOFAR AND ONLY INSOFAR AS** State Lease No. 724 covers and includes depths and rights from the surface of the earth down to a true vertical depth of 19,060' below the surface of the earth, Four Isle Dome Field, **INSOFAR AND ONLY INSOFAR AS** State Lease No. 340 covers and includes depths and rights from the surface of the earth down to a true vertical depth of 16,900' below the surface of the earth, North Lighthouse Point Field, **INSOFAR AND ONLY INSOFAR AS** State Lease Nos. 15784, 16100 and 16293 cover and includes depths and rights from the surface of the earth down to a true vertical depth of 15,050' below the surface of the earth, Pass Des Ilettes Field, **INSOFAR AND ONLY INSOFAR AS** State Lease No. 11233 covers and includes depths and rights from the surface of the earth down to a true vertical depth of 11,361' below the surface of the earth, Pass Wilson Field, **INSOFAR AND ONLY INSOFAR AS** State Lease No. 3403 cover and includes depths and rights from the surface of the earth down to a true vertical depth of 11,950' below the surface of the earth, Pass Wilson Field, **INSOFAR AND ONLY INSOFAR AS** State Lease No. 16244 covers and includes depths and rights from the surface of the earth down to a true vertical depth of 10,100' below the surface of the earth, Pass Wilson Field, **AND INSOFAR AND ONLY INSOFAR AS** State Lease Nos. 17036, 17037, 17038 and 17040 covers and includes depths and rights from the surface of the earth down to a true vertical depth of 11,677' below the surface of the earth, Pass Wilson Field, 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:

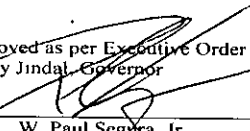
- 1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;
- 2) That failure to comply with the terms and conditions of the basic lease 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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect

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

By: 
W. Paul Segura, Jr.
Chairman, State Mineral Board


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Arnold, 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 10, 2012 Meeting be approved, said instrument being an Assignment from Louisiana Onshore Properties, LLC to Stone Energy Offshore, L.L.C., an undivided 35% working interest in and to State Lease Nos. 19943, 20428, 20429, 20430, 20539 and 20540, Iberia Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders seconded by Mr. Arnold, 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 10, 2012 Meeting be approved, said instrument being an Assignment from Theophilus Oil, Gas & Land Services, LLC, of all of Assignor's right, title and interest to the following in the proportions set out below:

Apache Corporation	50%
Castex Energy Partners, L.P., by Castex Energy II, LLC, General Partner	50%

in and to State Lease Nos. 20870, 20871, 20872, 20873, 20874 and 20875, St. Mary Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

- 1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;
- 2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;
- 3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;
- 4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;
- 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 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

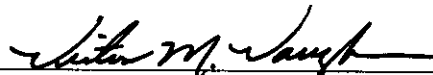
LOUISIANA STATE MINERAL AND ENERGY BOARD

On motion of Mr. Sanders, seconded by Mr. Arnold, 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 10, Meeting be approved, said instrument being Correction of Resolution No. 12-11 from the February 8, 2012 Meeting being an Operating Agreement by and between the State of Louisiana, through the State Mineral and Energy Board and Donegal Energy, LLC, whereas said Operating Agreement incorrectly read..."lying outside the confines of the composite of 11,200' VUA and 9,800' VUA" and is hereby being **corrected** to read..."lying inside the confines of the composite of the 11,200' VUA and the 9,800' VUA, affecting Operating Agreement "A0321", Jefferson Parish, Louisiana.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-31 from the October 10, 2012, Meeting be approved, said instrument being a Lease Amendment by and between the State of Louisiana, through the State Mineral and Energy Board, and Chevron U.S.A. Inc., whereas said parties desire to amend any prior shut-in payment clause presently found in said Lease with new oil shut-in payment clause, affecting State Lease Nos. 20571, 20572, 20573, 20574, 20575 and 20576, Cameron 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 10th day of October, 2012 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-32 from the October 10, 2012, Meeting be approved, said instrument being a Unitization Agreement presented by Chevron U.S.A Inc., to create a 11,232.995 acre unit, more or less, identified as the “**Voluntary Unit Agreement-Little Pecan Lake Field**”, with 2,415.48 acres being attributable to State Lease No. 20571, 2,048.92 acres being attributable to State Lease No. 20572, 1,421.187 acres being attributable to State Lease No. 20573, 2,107.567 acres being attributable to 20574, 1,264.653 acres being attributable to State Lease No. 20575, 1,974.915 acres being attributable to State Lease No. 20576 and .273 acres being attributable to State Agency Lease No. 20811, Cameron 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 10th day of October, 2012 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-33 from the October 10, 2012, Meeting be approved, said instrument being an Operating Agreement by and between the State of Louisiana, through the State Mineral and Energy Board and Louisiana Onshore Properties, LLC, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 22.5% before payout, increasing to 23.5% after payout, in and to the Operating Tract, whereas operator desire and intends to obtain production from the CM RA SUH, covering a portion of former State Lease No. 19945, containing .694 more or less, Iberia, 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 10th day of October, 2012 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-34 from the October 10, 2012, Meeting be approved, said instrument being a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2652, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-35 from the October 10, 2012, Meeting be approved, said instrument being a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2651, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

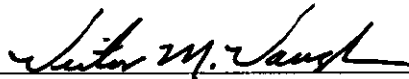
On motion of Mr. Sanders, seconded by Mr. Arnold, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-36 from the October 10, 2012, Meeting be approved, said instrument being a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board, Hilcorp Energy I, L.P. and HHE Energy Company, whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 3279, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

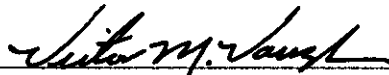
On motion of Mr. Sanders, seconded by Mr. Arnold, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-37 from the October 10, 2012, Meeting be approved, said instrument being a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 3010, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

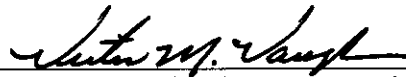
On motion of Mr. Sanders, seconded by Mr. Arnold, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-38 from the October 10, 2012, Meeting be approved, said instrument being a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 3052, Vermilion Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD


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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-39 from the October 10, 2012, Meeting be approved, said instrument being a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 15736, Assumption 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 10th day of October, 2012 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-40 from the October 10, 2012, Meeting be approved, said instrument being a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Hilcorp Energy I, L.P., whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 2234, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD


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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12-41 from the October 10, 2012, Meeting be approved, said instrument being an Amendment of that certain Unitization Agreement, dated April 14, 2010, by and between the State of Louisiana and Gulf Explorer, L.L.C., which created the Gulf Production Company-Main Pass Block 49 Field- Voluntary Unit "A", whereas said parties desire and agree to amend said unit : a) by deleting Exhibits "A" and "B" and replacing same with Exhibits "A" and "B" attached to this Amendment; b) and by deleting in Paragraph 1 the reference to State Lease Nos. 19445, 19446 and 20160 and replacing same with State Lease Nos. 19445, 19446, 20160, 20762 and 20764; c) and by replacing any reference in the Unitization Agreement to 217.97 acres with 381.98 acres, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of October, 2012 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



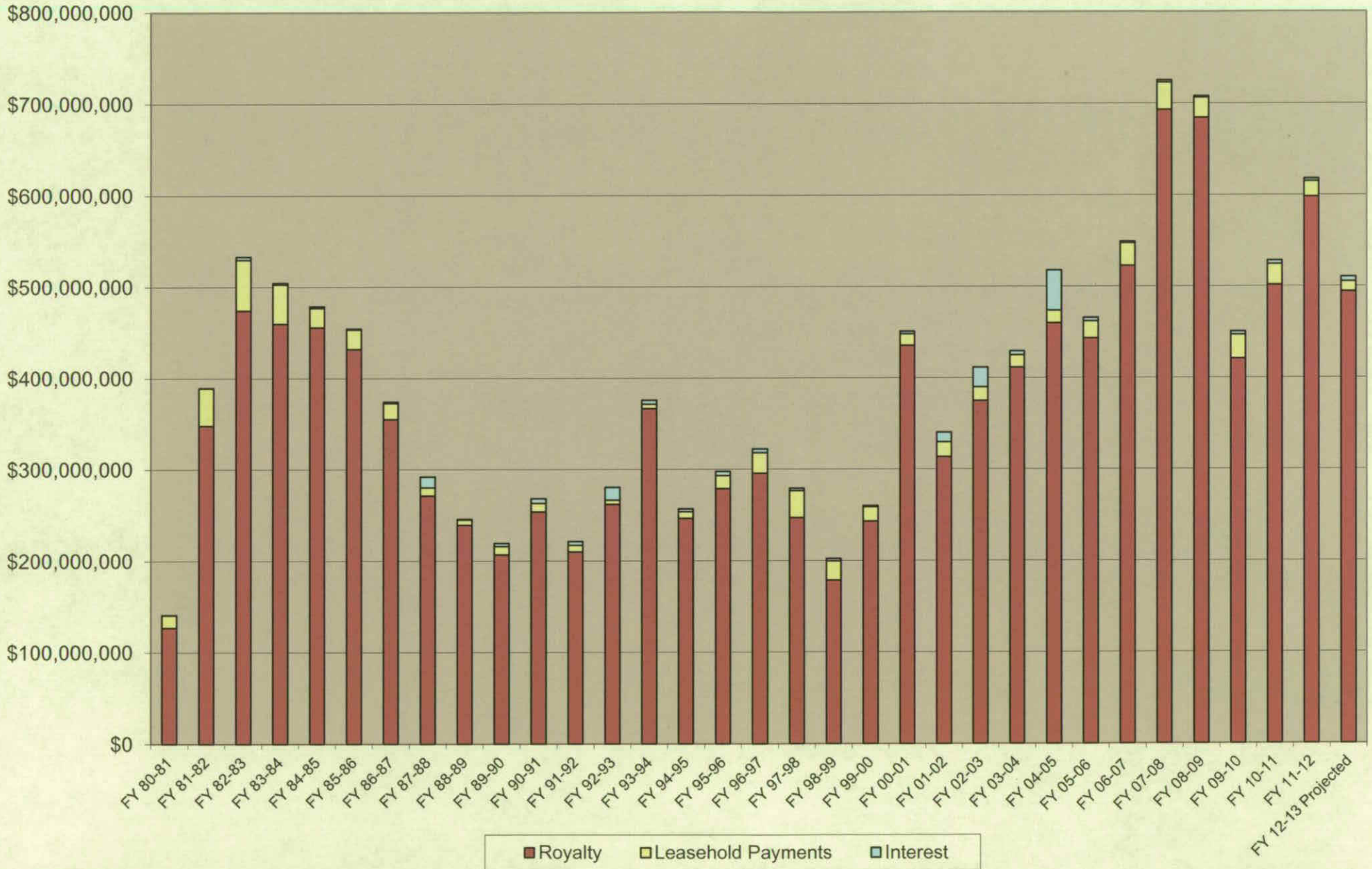
State Mineral and Energy Board



Office of Mineral Resources Mineral and Energy Board Meeting

October 10, 2012

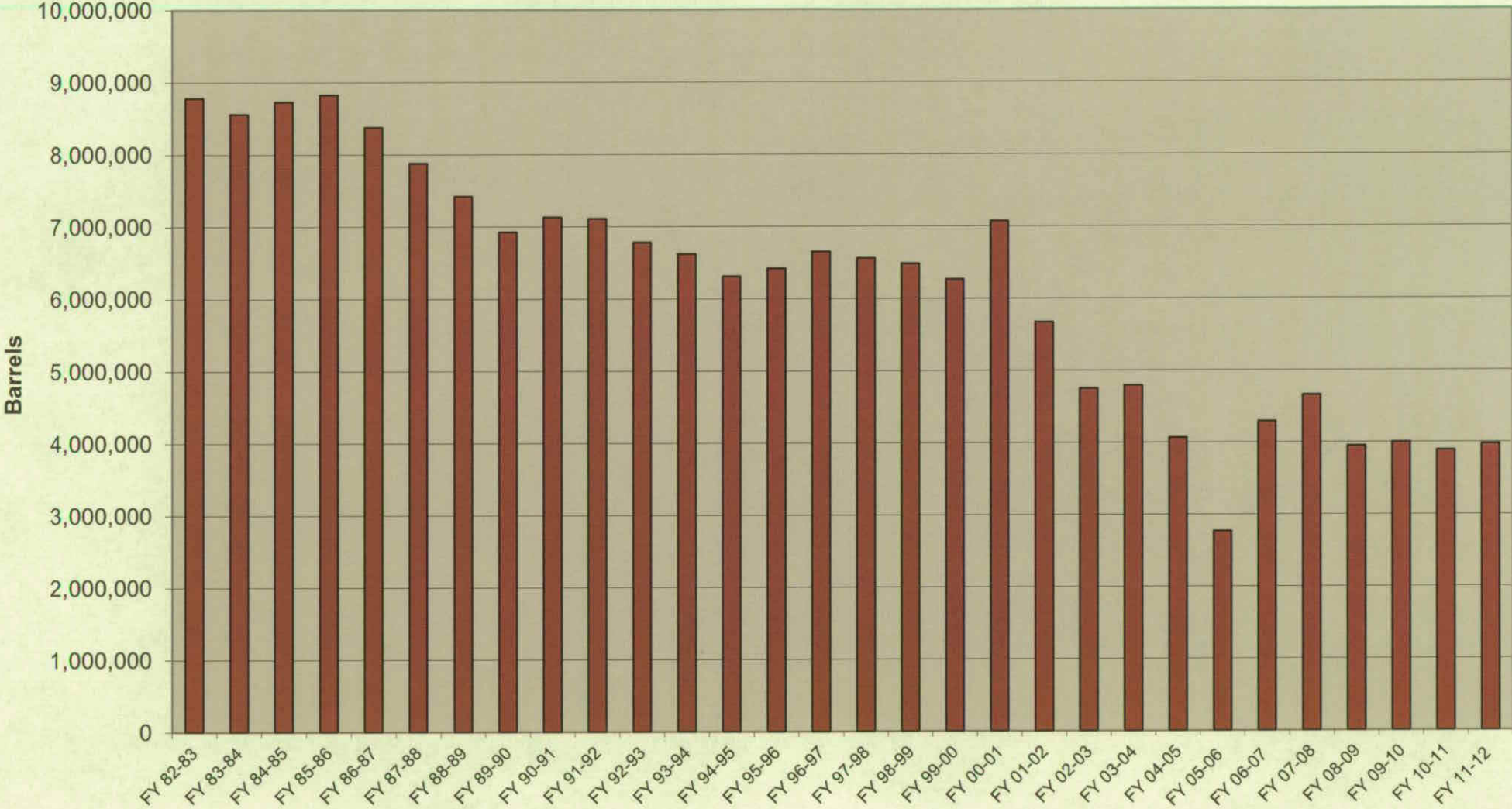
Historical Cash Receipts



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	\$246,493,823	\$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	\$28,328,115	\$598,011,946	\$16,850,804	\$2,921,848	\$646,112,713	\$53,842,726
FY 12-13 Projected	\$20,300,820	\$494,149,870	\$11,047,819	\$5,057,072	\$530,555,581	\$44,212,965
	\$1,481,566,908	\$12,301,830,389	\$617,741,580	\$178,915,959	\$14,580,054,836	
% of Total	11%	84%	4%	1%		

Historical Oil Production

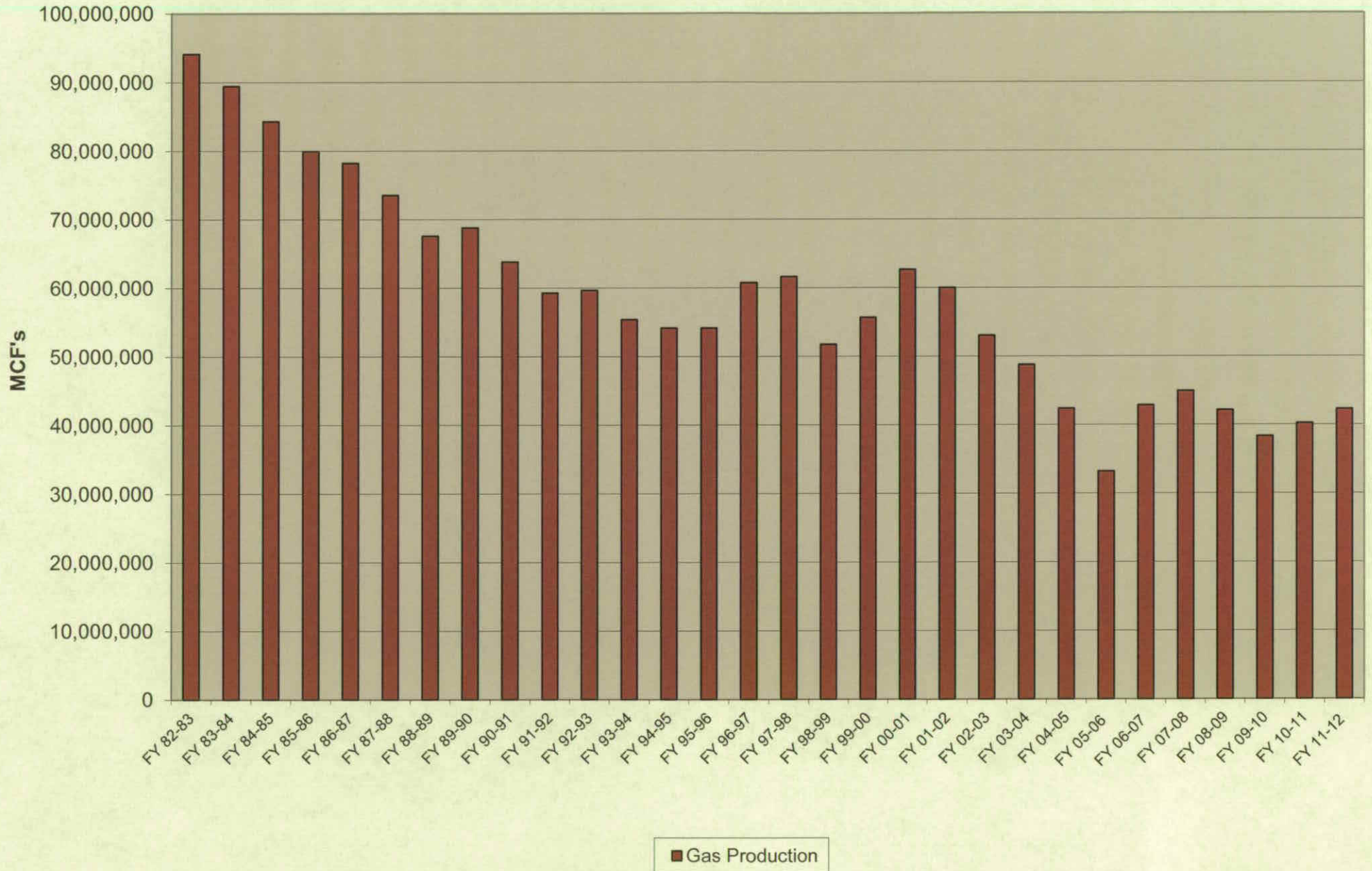


Oil Production

Historical Oil Production

	<u>Barrels</u>
FY 82-83	8,781,026
FY 83-84	8,558,474
FY 84-85	8,730,682
FY 85-86	8,824,976
FY 86-87	8,377,006
FY 87-88	7,882,985
FY 88-89	7,423,374
FY 89-90	6,925,937
FY 90-91	7,131,084
FY 91-92	7,112,144
FY 92-93	6,782,359
FY 93-94	6,621,212
FY 94-95	6,309,036
FY 95-96	6,418,023
FY 96-97	6,653,990
FY 97-98	6,561,424
FY 98-99	6,485,581
FY 99-00	6,264,810
FY 00-01	7,073,883
FY 01-02	5,670,120
FY 02-03	4,747,875
FY 03-04	4,790,574
FY 04-05	4,065,744
FY 05-06	2,766,635
FY 06-07	4,291,644
FY 07-08	4,657,678
FY 08-09	3,947,648
FY 09-10	3,998,130
FY 10-11	3,889,359
FY 11-12	3,974,484
	185,717,896
% of Total	2%

Historical Gas Production



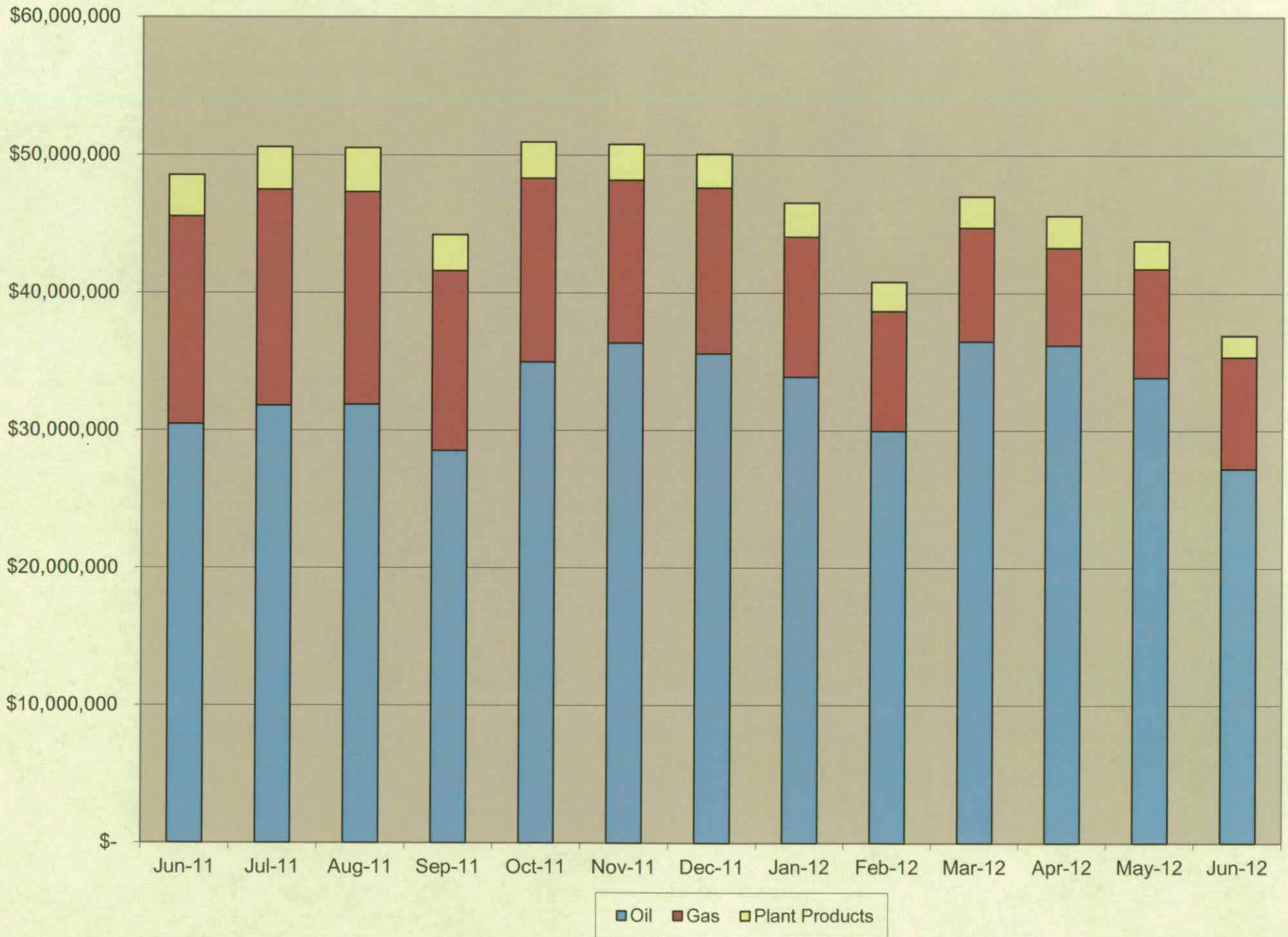
Historical Gas Production

	<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	44,928,254
FY 08-09	42,141,597
FY 09-10	38,306,412
FY 10-11	40,218,653
FY 11-12	42,252,759

1,762,645,436

% of Total 2%

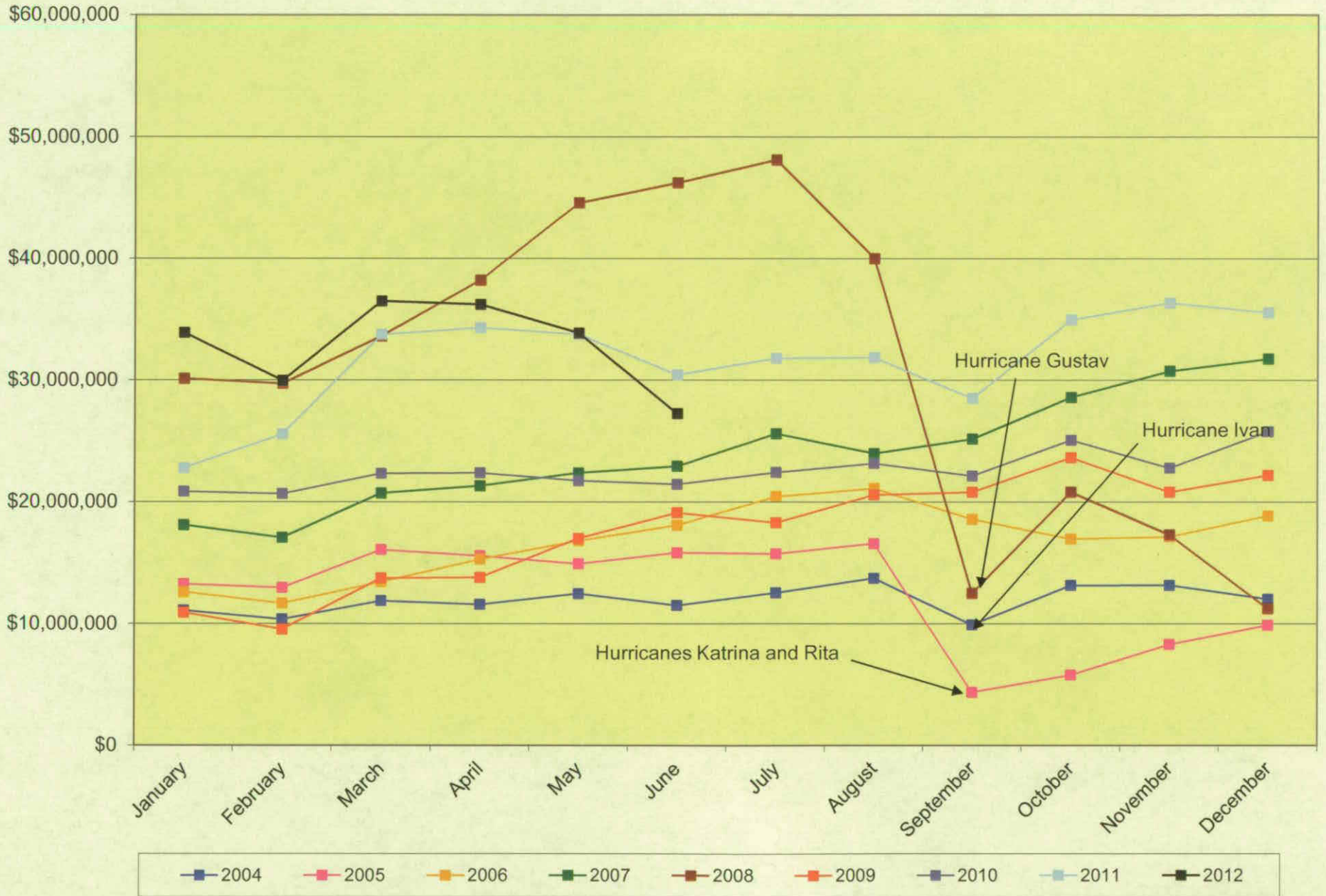
Royalty Collections by Disposition Month



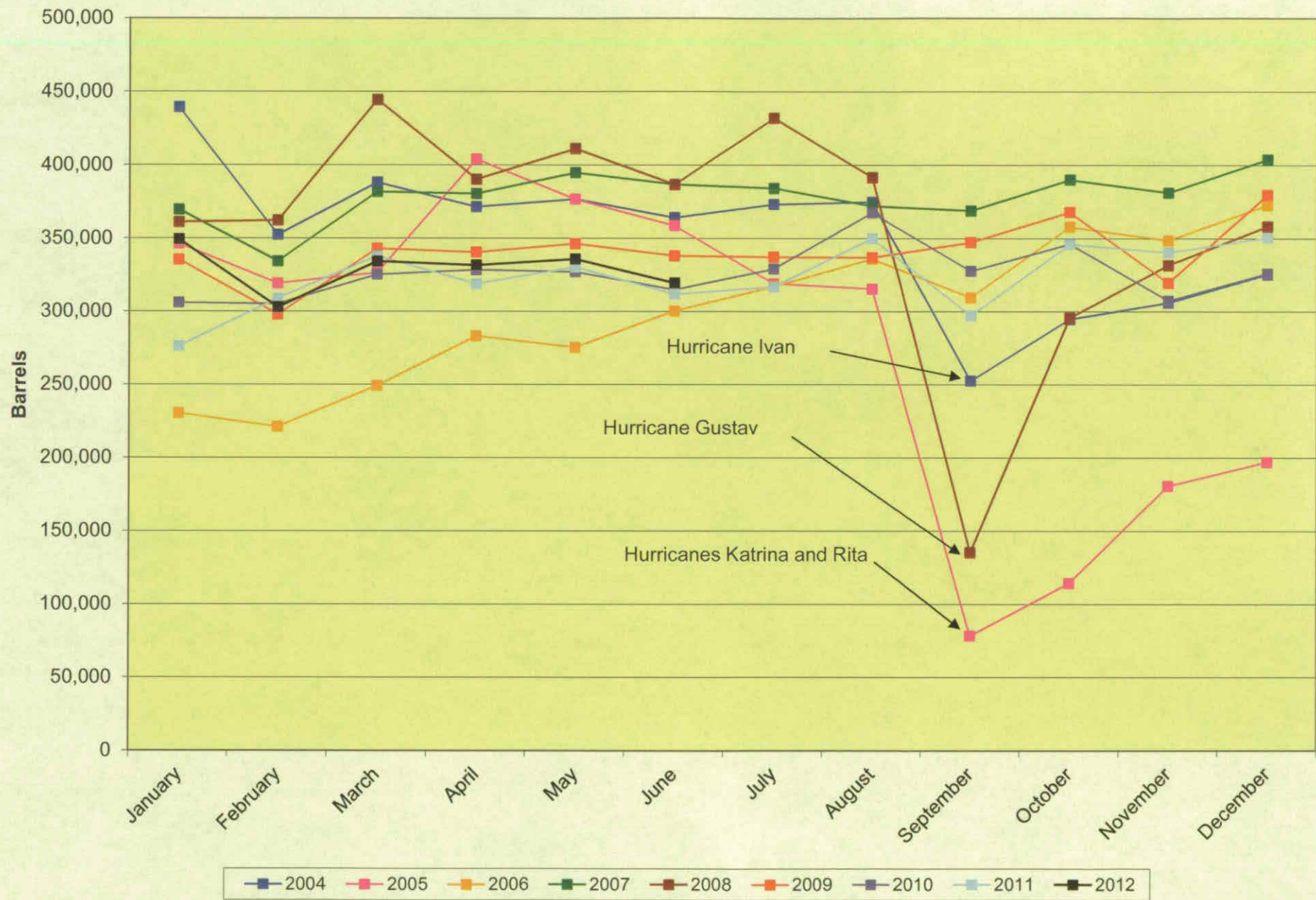
Royalty Collections by Disposition Month

<u>Disposition Month</u>	<u>Oil</u>	<u>Gas</u>	<u>Plant Products</u>	<u>Total</u>
June 2011	30,449,851.73	15,089,550.86	3,020,865.73	48,560,268.32
July 2011	31,806,238.90	15,684,189.98	3,087,267.09	50,577,695.97
August 2011	31,872,047.26	15,443,438.96	3,202,615.50	50,518,101.72
September 2011	28,518,329.60	13,076,799.08	2,627,492.75	44,222,621.43
October 2011	34,965,975.68	13,351,477.09	2,643,859.67	50,961,312.44
November 2011	36,353,801.51	11,821,566.57	2,605,584.40	50,780,952.48
December 2011	35,568,596.59	12,055,767.98	2,440,441.44	50,064,806.01
January 2012	33,889,477.68	10,194,357.66	2,477,566.54	46,561,401.88
February 2012	29,952,333.56	8,719,288.66	2,150,134.85	40,821,757.07
March 2012	36,486,847.50	8,264,077.05	2,279,126.36	47,030,050.91
April 2012	36,205,116.69	7,086,275.66	2,329,236.81	45,620,629.16
May 2012	33,858,525.77	7,913,189.57	2,045,582.24	43,817,297.58
June 2012	27,231,744.17	8,125,718.88	1,577,919.68	36,935,382.73
Total	\$ 427,158,886.64	\$ 146,825,698.00	\$ 32,487,693.06	\$ 606,472,277.70
% of Total	70%	24%	6%	

Oil Royalty by Disposition Month



Oil Volume by Disposition Month

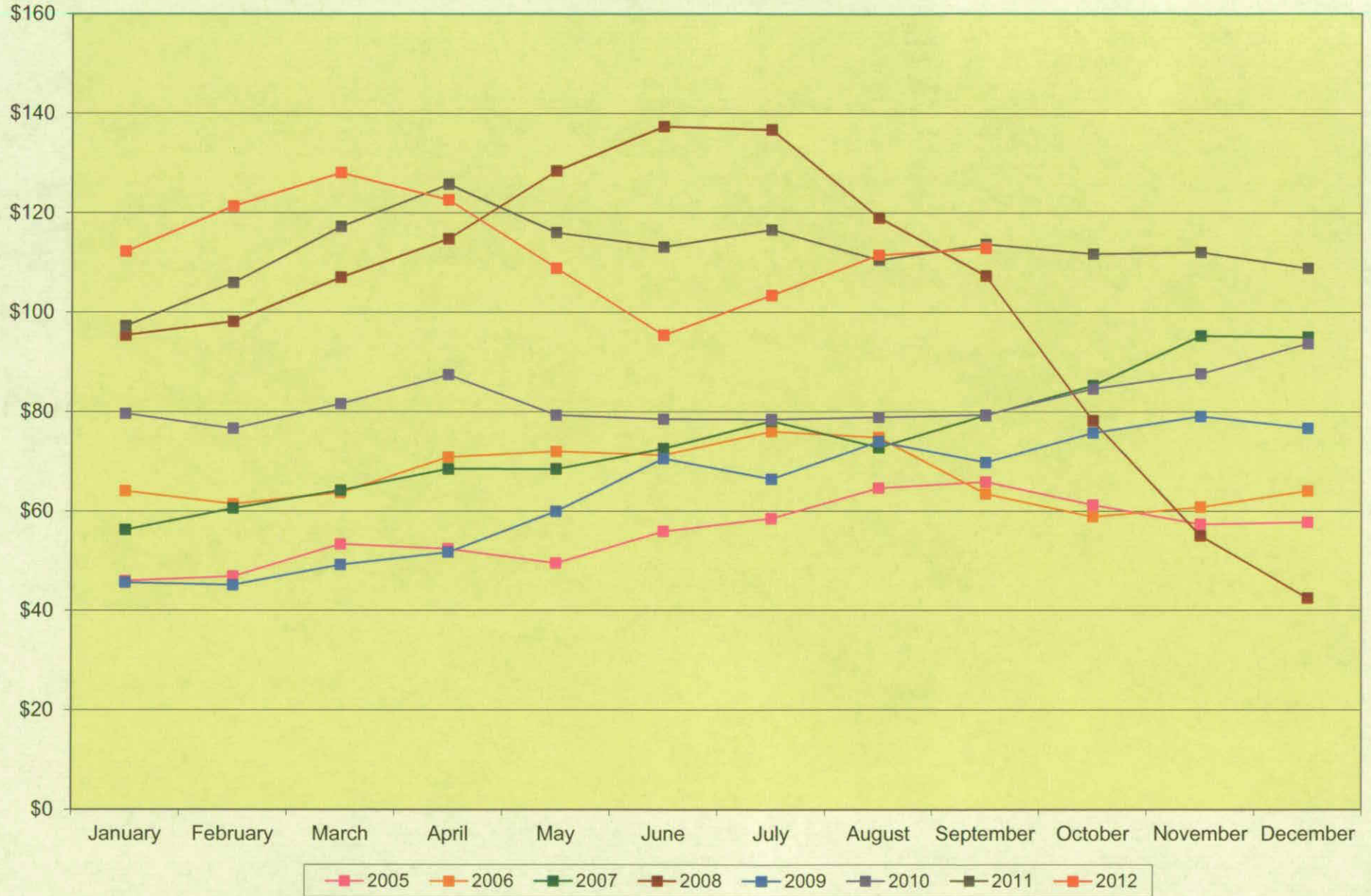


Oil Volume by Disposition Month

<u>Disposition Month</u>	<u>Barrels</u>
January 2004	439,528 9609
February 2004	352,554 1807
March 2004	388,250 3056
April 2004	371,664 9497
May 2004	376,944 4191
June 2004	364,373 3908
July 2004	373,376 3670
August 2004	374,957 0454
September 2004	252,648 3494
October 2004	294,836 0875
November 2004	306,161 9020
December 2004	325,615 3498
January 2005	346,534 8170
February 2005	319,401 7647
March 2005	326,574 1954
April 2005	404,282 7275
May 2005	376,916 3110
June 2005	358,886 3852
July 2005	319,254 6372
August 2005	315,616 4399
September 2005	78,702 6983
October 2005	114,538 4508
November 2005	180,921 8969
December 2005	197,290 8761
January 2006	230,553 1412
February 2006	221,290 4591
March 2006	249,233 3520
April 2006	283,338 5046
May 2006	275,598 7558
June 2006	300,558 2834
July 2006	317,273 1720
August 2006	336,148 3010
September 2006	309,714 7966
October 2006	358,167 3469
November 2006	348,876 4593
December 2006	372,942 6979
January 2007	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	361,179 5574
February 2008	362,298 8717
March 2008	444,589 5628
April 2008	390,368 8131
May 2008	411,263 3489
June 2008	386,821 9964
July 2008	432,048 8540
August 2008	391,784 9250
September 2008	135,416 9230
October 2008	295,684 9290
November 2008	331,775 5033
December 2008	358,333 3403
January 2009	335,692 1257
February 2009	298,075 7164
March 2009	343,198 0878
April 2009	340,755 0469
May 2009	346,580 4234
June 2009	338,302 2275
July 2009	337,468 6167
August 2009	337,150 0588
September 2009	347,607 1190
October 2009	368,247 2451
November 2009	319,868 3575
December 2009	380,056 0982
January 2010	306,135 2584
February 2010	305,357 2117
March 2010	325,341 1223
April 2010	328,579 3715
May 2010	327,215 7788
June 2010	315,103 8080
July 2010	329,218 7204
August 2010	367,581 9796
September 2010	327,807 8657
October 2010	346,268 4785
November 2010	307,491 3027
December 2010	326,230 1333
January 2011	276,285 6181
February 2011	308,953 8081
March 2011	338,053 5051
April 2011	318,999 4556
May 2011	330,468 0589
June 2011	312,000 4225
July 2011	316,859 2262
August 2011	350,066 9162
September 2011	297,272 9608
October 2011	345,998 8858
November 2011	340,610 0654
December 2011	350,665 9420
January 2012	349,258 5390
February 2012	302,811 2542
March 2012	334,121 2851
April 2012	331,539 4169
May 2012	335,790 8504
June 2012	319,489 1294

Oil Prices

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

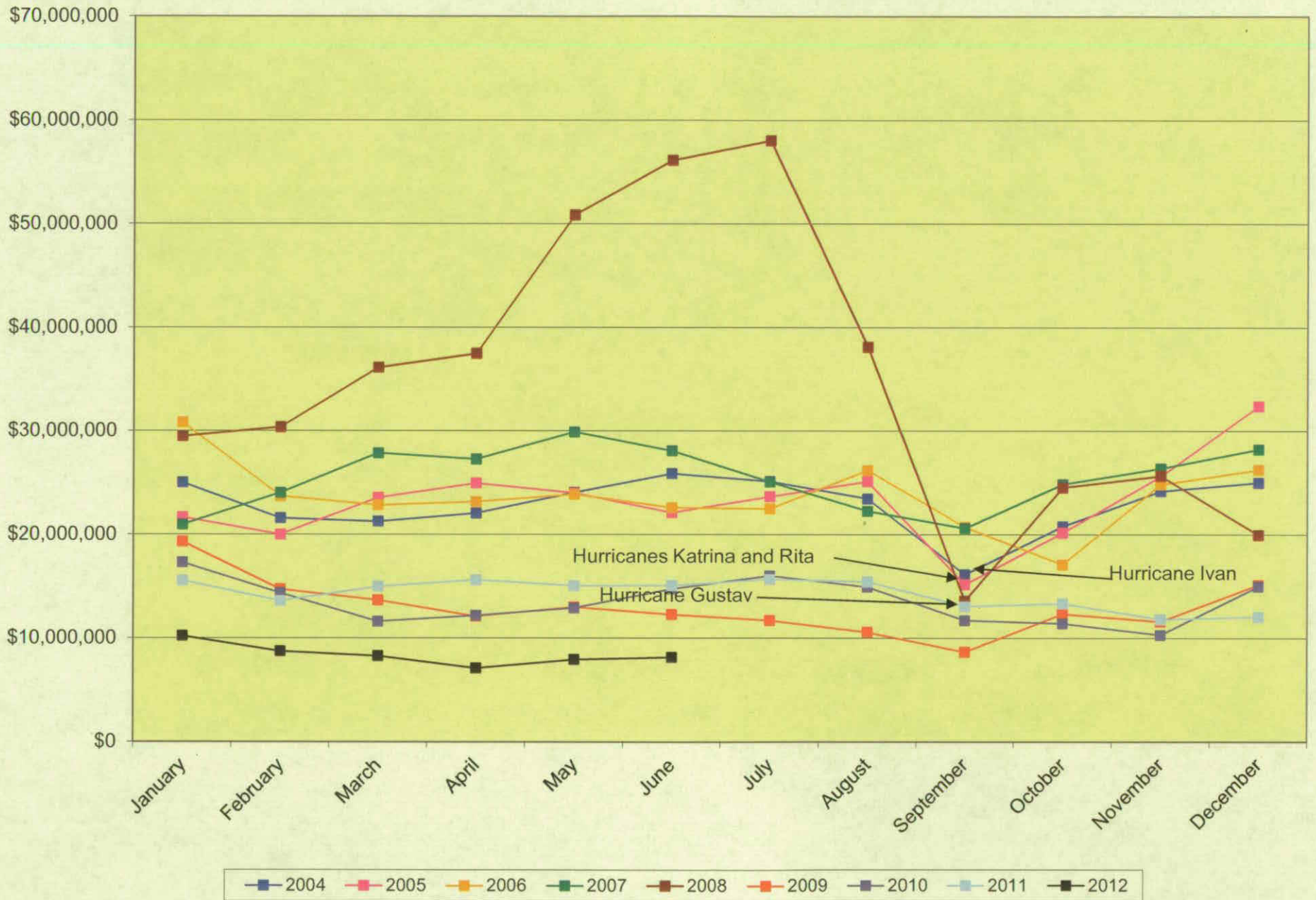


Monthly Average Oil Prices

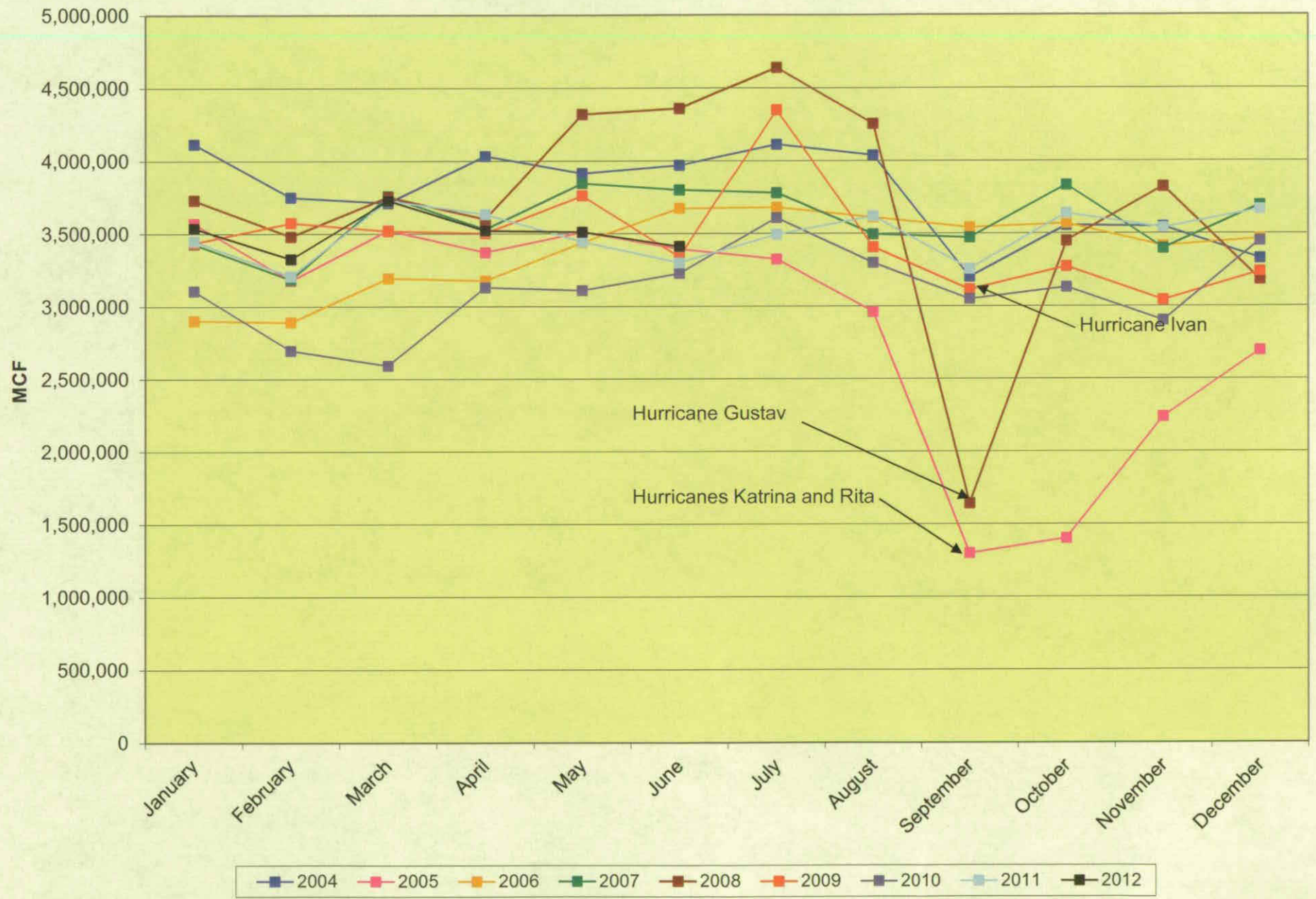
Jan-04	\$34.66
Feb-04	\$34.05
Mar-04	\$36.60
Apr-04	\$35.80
May-04	\$39.28
Jun-04	\$37.15
Jul-04	\$40.24
Aug-04	\$44.32
Sep-04	\$45.81
Oct-04	\$53.46
Nov-04	\$47.33
Dec-04	\$42.28
Jan-05	\$46.02
Feb-05	\$46.94
Mar-05	\$53.42
Apr-05	\$52.46
May-05	\$49.59
Jun-05	\$55.94
Jul-05	\$58.53
Aug-05	\$64.87
Sep-05	\$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	\$69.51
May-07	\$68.48
Jun-07	\$72.60
Jul-07	\$78.08
Aug-07	\$72.81
Sep-07	\$79.28
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	\$45.19
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	\$83.74
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	\$116.56
Aug-11	\$110.49
Sep-11	\$113.68
Oct-11	\$111.75
Nov-11	\$112.07
Dec-11	\$108.85
Jan-12	\$112.30
Feb-12	\$121.41
Mar-12	\$128.12
Apr-12	\$122.67
May-12	\$108.92
Jun-12	\$95.40
Jul-12	\$103.45
Aug-12	\$111.56
Sep-12	\$112.96

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

Gas Royalty by Disposition Month



Gas Volume by Disposition Month

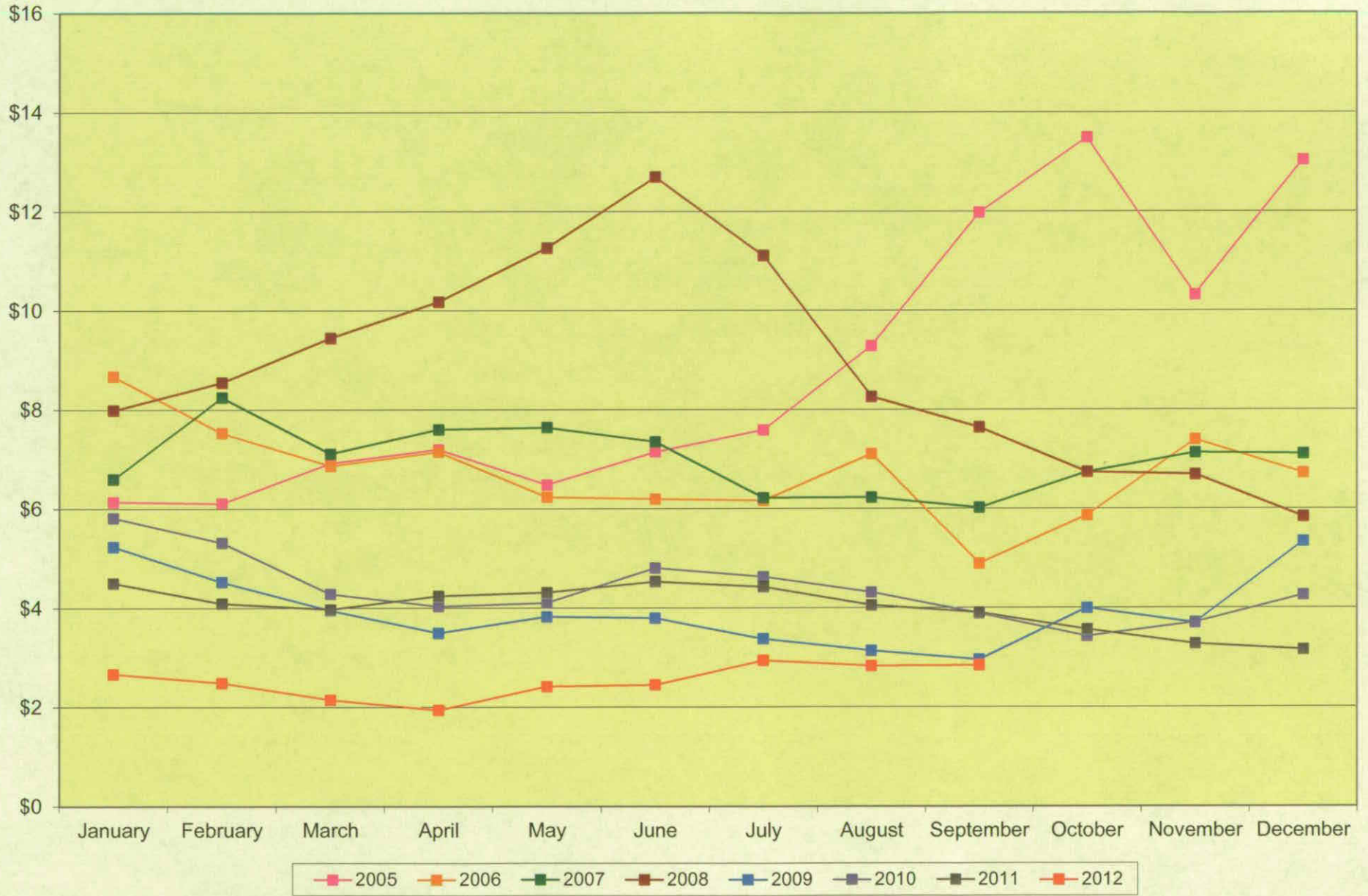


Gas Volume by Disposition Month

<u>Disposition Month</u>	<u>MCF</u>
January 2004	4,110,851 7031
February 2004	3,751,306 3749
March 2004	3,712,684 0645
April 2004	4,034,822 4874
May 2004	3,918,088 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 6827
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	2,962,638 1525
September 2005	1,299,470 4701
October 2005	1,403,319 1284
November 2005	2,238,950 7428
December 2005	2,806,394 0614
January 2006	2,903,605 4539
February 2006	2,893,564 0591
March 2006	3,195,937 8504
April 2006	3,179,013 8634
May 2006	3,441,908 5053
June 2006	3,875,130 0272
July 2006	3,881,560 8937
August 2006	3,612,949 7915
September 2006	3,543,862 0727
October 2006	3,570,670 8822
November 2006	3,416,427 3444
December 2006	3,467,063 6852
January 2007	3,431,417 7115
February 2007	3,187,283 0780
March 2007	3,758,706 9103
April 2007	3,532,409 0083
May 2007	3,847,360 8544
June 2007	3,801,846 8530
July 2007	3,781,746 8614
August 2007	3,496,860 8815
September 2007	3,473,362 6880
October 2007	3,833,964 5812
November 2007	3,398,862 1836
December 2007	3,696,247 7050
January 2008	3,730,716 5949
February 2008	3,481,908 9951
March 2008	3,754,457 7083
April 2008	3,601,038 3554
May 2008	4,320,099 2011
June 2008	4,358,968 2793
July 2008	4,639,414 5827
August 2008	4,254,048 2048
September 2008	1,642,121 1777
October 2008	3,450,897 9705
November 2008	3,823,545 4159
December 2008	3,184,282 9858
January 2009	3,438,417 1564
February 2009	3,576,787 3604
March 2009	3,520,899 7672
April 2009	3,505,819 7991
May 2009	3,763,230 1003
June 2009	3,342,531 9884
July 2009	4,350,545 4960
August 2009	3,408,806 4565
September 2009	3,117,084 1724
October 2009	3,275,419 6903
November 2009	3,044,160 9304
December 2009	3,240,039 0147
January 2010	3,108,639 9349
February 2010	2,697,156 7024
March 2010	2,563,078 0979
April 2010	3,132,375 5905
May 2010	3,111,748 1395
June 2010	3,227,347 5748
July 2010	3,609,403 8109
August 2010	3,300,742 8119
September 2010	3,050,401 9952
October 2010	3,132,239 7585
November 2010	2,903,168 2086
December 2010	3,452,270 8787
January 2011	3,450,118 8013
February 2011	3,208,671 8652
March 2011	3,729,006 1350
April 2011	3,635,084 1471
May 2011	3,448,006 4703
June 2011	3,301,539 2105
July 2011	3,495,007 9288
August 2011	3,820,287 4217
September 2011	3,257,993 7113
October 2011	3,830,535 1940
November 2011	3,539,589 1674
December 2011	3,687,180 9786
January 2012	3,537,117 4500
February 2012	3,325,917 9340
March 2012	3,727,226 1020
April 2012	3,521,107 5040
May 2012	3,511,158 2890
June 2012	3,410,657 1140

Natural Gas Prices

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

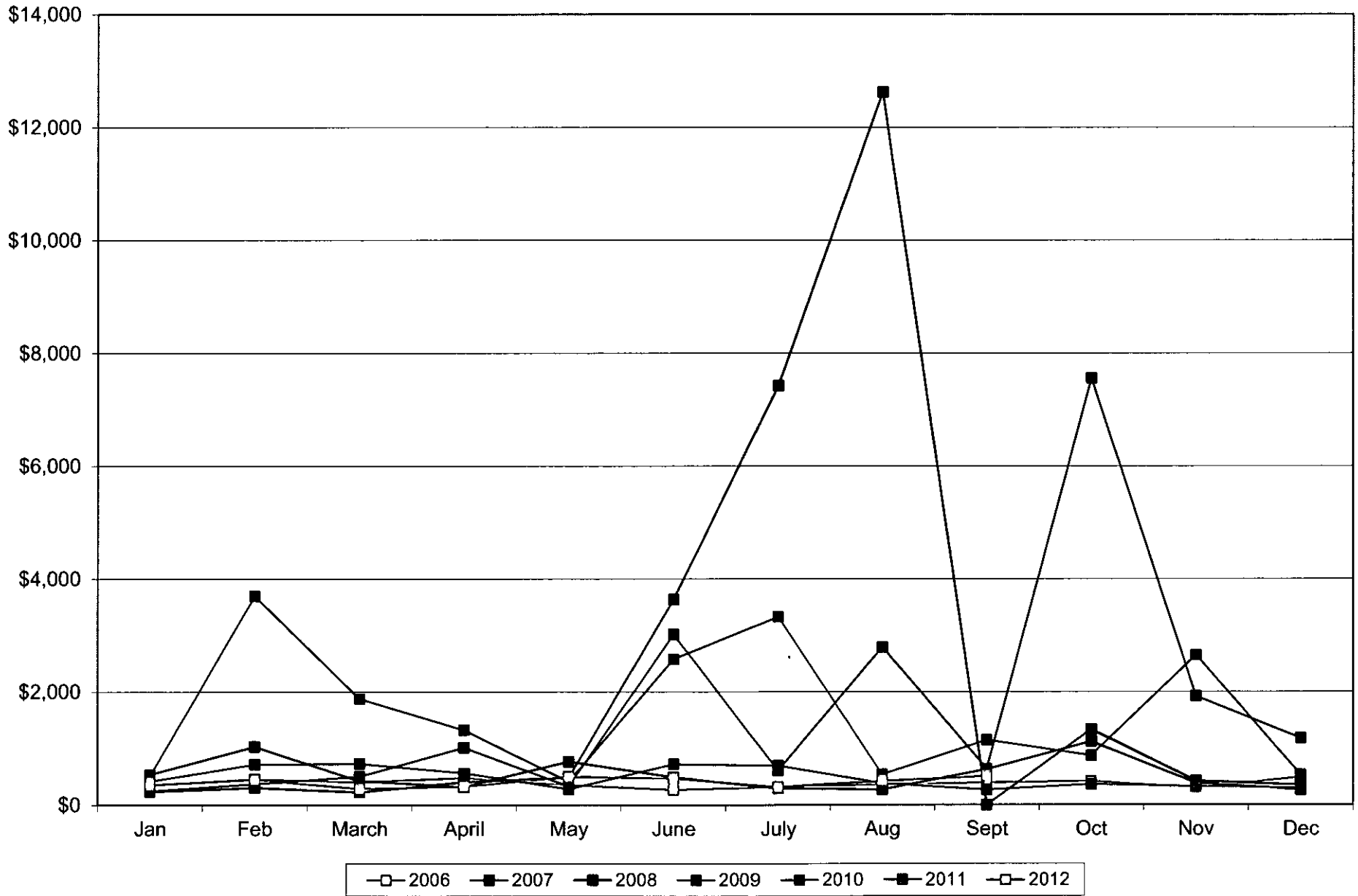


Monthly Average Gas Prices

Jan-04	\$6 1581
Feb-04	\$5 3082
Mar-04	\$5 3784
Apr-04	\$5 7004
May-04	\$6 3000
Jun-04	\$6 2916
Jul-04	\$5 0325
Aug-04	\$5 4506
Sep-04	\$5 0832
Oct-04	\$6 3302
Nov-04	\$6 1481
Dec-04	\$6 6166
Jan-05	\$6 1431
Feb-05	\$6 1124
Mar-05	\$6 0229
Apr-05	\$7 2004
May-05	\$6 4880
Jun-05	\$7 1507
Jul-05	\$7 5910
Aug-05	\$9 2047
Sep-05	\$11 0823
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	\$9 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 0900
Feb-08	\$8 5500
Mar-08	\$9 4500
Apr-08	\$10 1800
May-08	\$11 2700
Jun-08	\$12 7000
Jul-08	\$11 1100
Aug-08	\$8 2800
Sep-08	\$7 8400
Oct-08	\$6 7400
Nov-08	\$6 8900
Dec-08	\$5 8400
Jan-09	\$5 2400
Feb-09	\$4 5300
Mar-09	\$3 9800
Apr-09	\$3 5000
May-09	\$3 8300
Jun-09	\$3 8000
Jul-09	\$3 3800
Aug-09	\$3 1400
Sep-09	\$2 9800
Oct-09	\$4 0000
Nov-09	\$3 7000
Dec-09	\$5 3400
Jan-10	\$5 8200
Feb-10	\$5 3200
Mar-10	\$4 2900
Apr-10	\$4 0400
May-10	\$4 1100
Jun-10	\$4 8100
Jul-10	\$4 6300
Aug-10	\$4 3200
Sep-10	\$3 8900
Oct-10	\$3 4300
Nov-10	\$3 7100
Dec-10	\$4 2600
Jan-11	\$4 5000
Feb-11	\$4 0600
Mar-11	\$3 9700
Apr-11	\$4 2400
May-11	\$4 3100
Jun-11	\$4 5300
Jul-11	\$4 4200
Aug-11	\$4 0500
Sep-11	\$3 9000
Oct-11	\$3 5600
Nov-11	\$3 2700
Dec-11	\$3 1500
Jan-12	\$2 6800
Feb-12	\$2 5000
Mar-12	\$2 1600
Apr-12	\$1 9500
May-12	\$2 4300
Jun-12	\$2 4600
Jul-12	\$2 9600
Aug-12	\$2 8400
Sep-12	\$2 8500

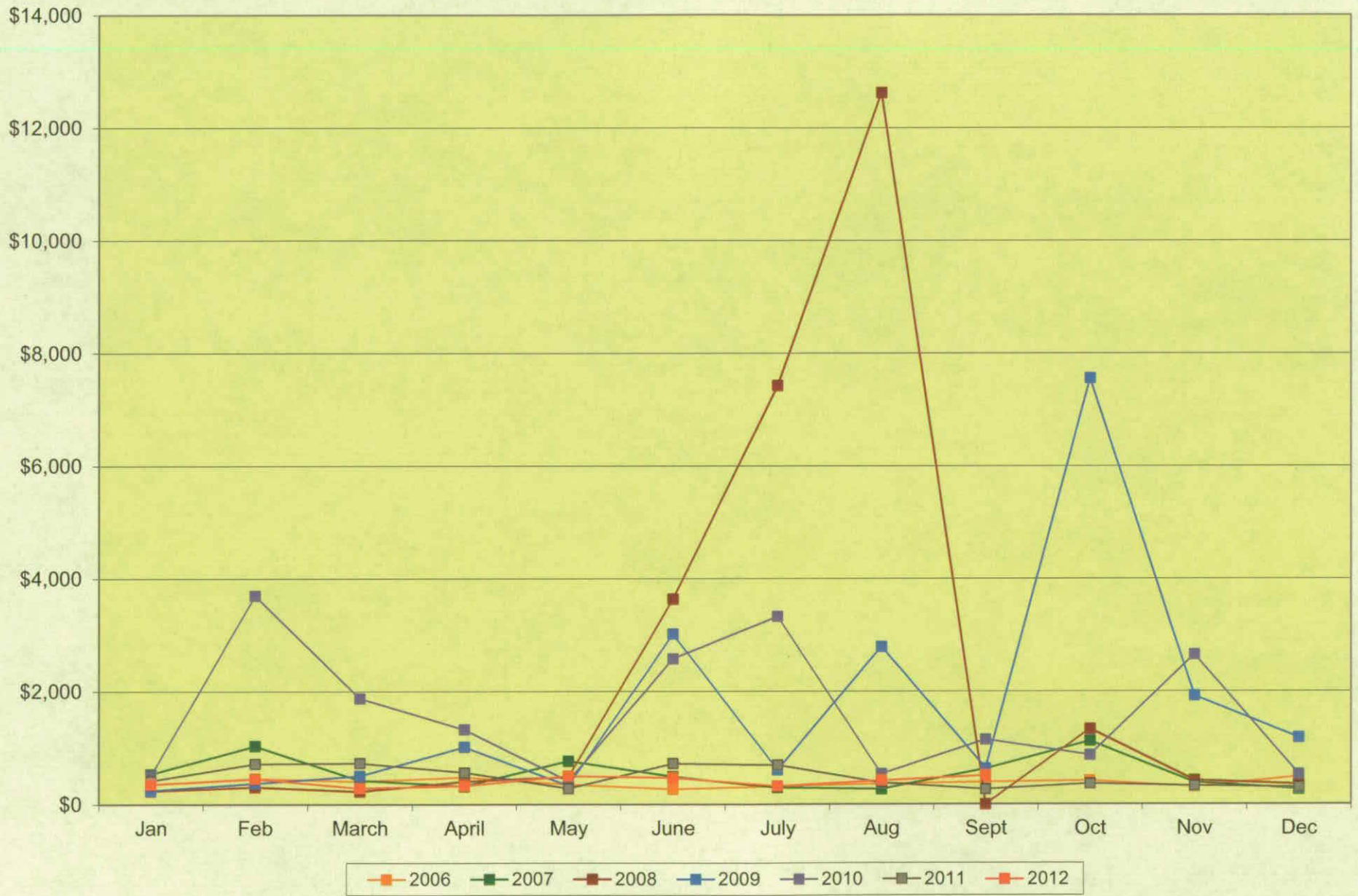
Source Daily Cash Gas Prices @ Henry Hub \$/mmbtu

Price Per Acre



As of September 12, 2012 Lease Sale

Price Per Acre



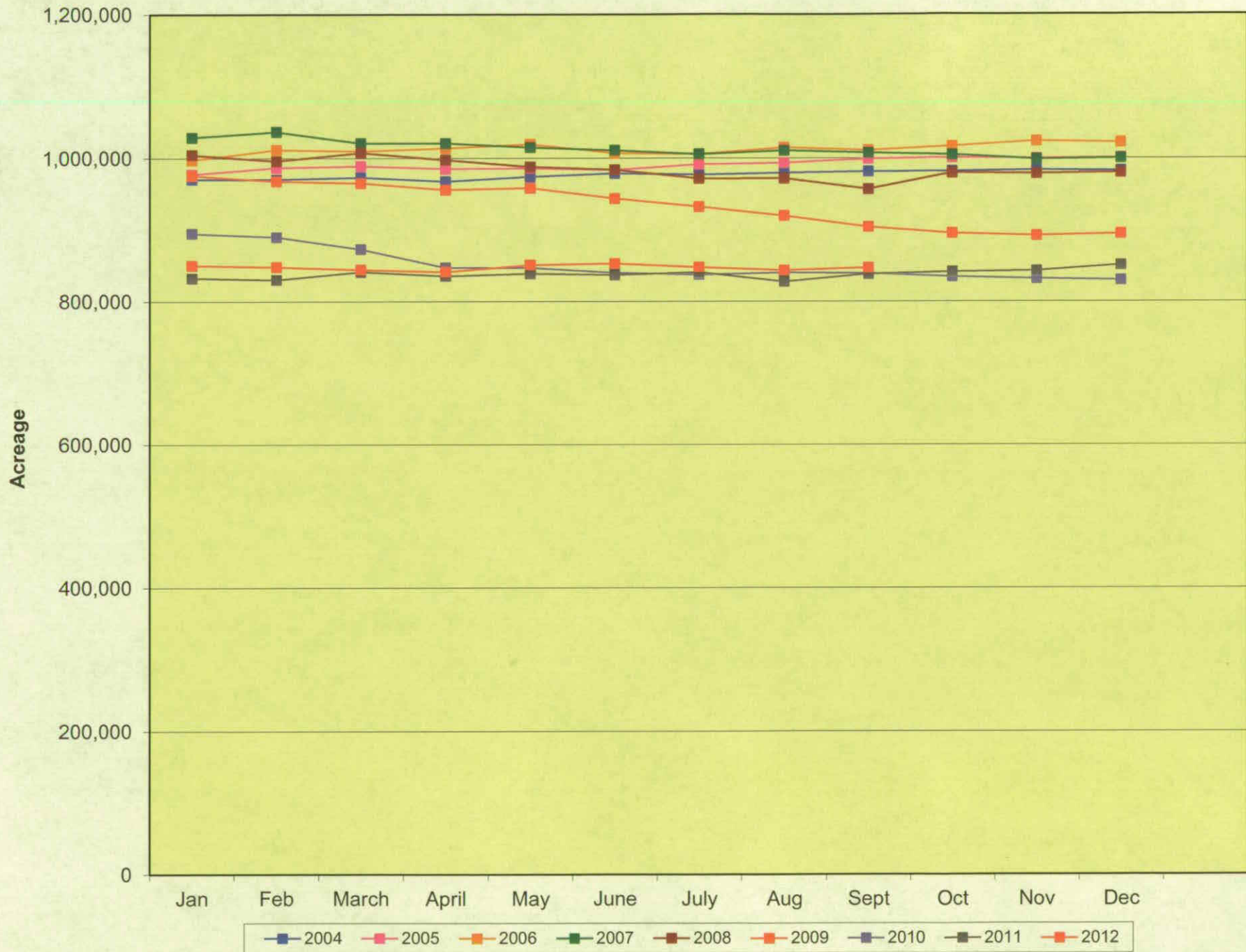
As of September 12, 2012 Lease Sale

Department of Natural Resources
Office of Mineral Resources
Lease Sale Statistics
For Calendar Years 2006, 2007, 2008, 2009, 2010, 2011 and 2012

Month	No of Tracts Nominated	No of Acres Nominated	No of Tracts with Bids	% of Nominated Tracts with Bids	No of Leases	No of Acres Leased	Total Bonuses	Price Per Acres
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
October 2011	39	49,521,346	16	41.0%	17	7,561,406	\$2,715,376.54	\$359.11
November 2011	35	37,977,321	13	37.1%	15	4,355,961	\$1,391,869.22	\$319.53
December 2011	57	45,145,595	42	73.7%	30	15,680,325	\$4,625,707.69	\$295.00
January 2012	50	44,906,260	23	46.0%	24	5,717,660	\$2,034,845.28	\$355.89
February 2012	43	69,704,740	25	58.1%	36	7,371,520	\$3,360,494.79	\$455.88
March 2012	54	35,786,190	24	44.4%	27	3,501,420	\$1,015,037.74	\$289.89
April 2012	17	10,428,310	11	64.7%	12	2,526,780	\$34,086.54	\$330.10
May 2012	116	138,966,119	41	35.3%	43	14,627,000	\$7,401,140.76	\$505.99
June 2012	44	55,484,898	15	34.1%	16	6,193,611	\$2,940,680.39	\$474.79
July 2012	28	16,136,727	11	39.3%	12	1,534,907	\$498,136.34	\$324.54
August 2012	28	147,500,317	31	110.7%	51	11,558,657	\$4,907,849.44	\$424.60
September 2012	10	11,821,827	7	70.0%	4	656,147	\$37,567.00	\$514.47

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

State Acreage Under Lease

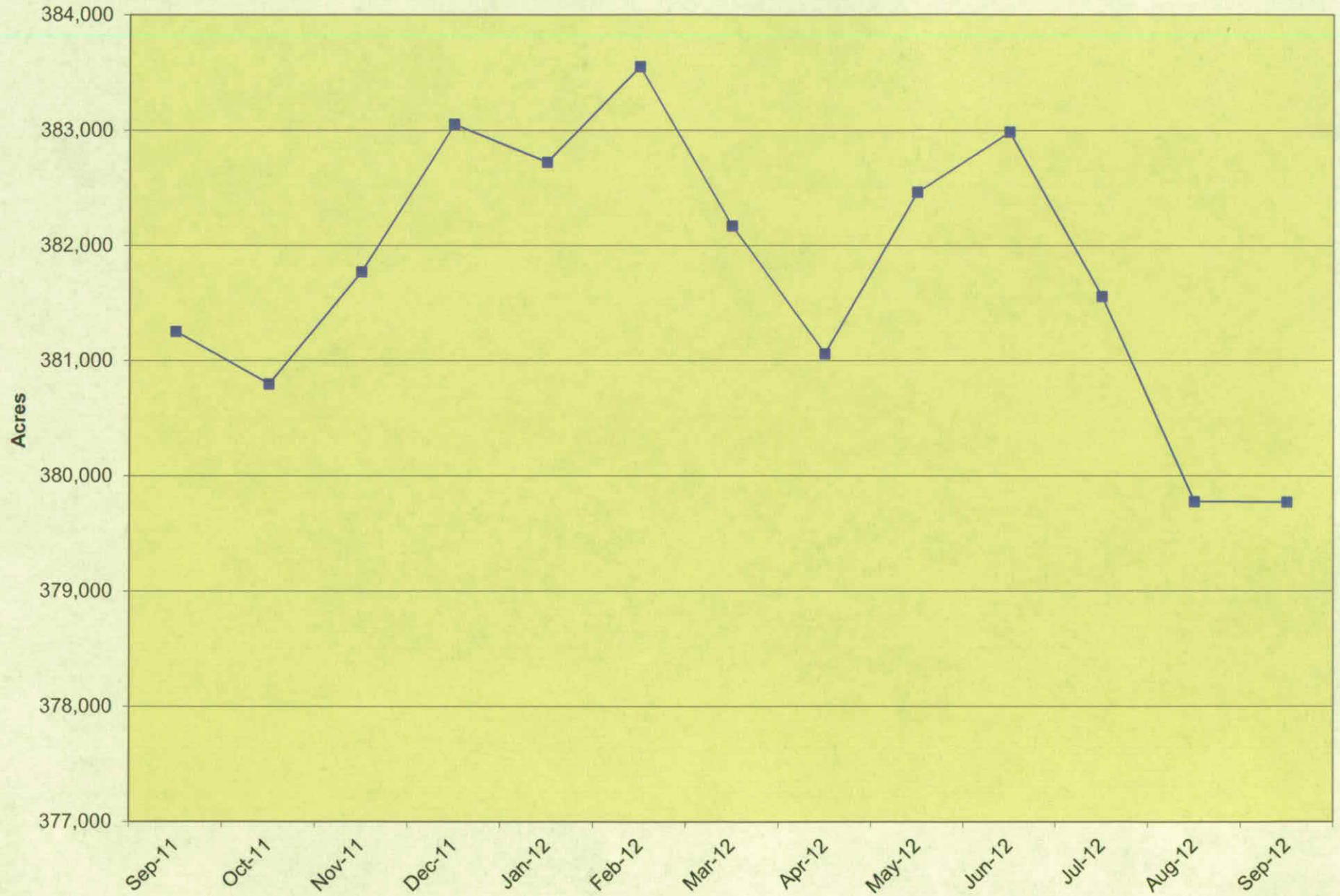


As of September 30, 2012

State Acreage Under Lease

<u>Month/Year</u>	<u>Acreage</u>
January 2004	970,647
February 2004	970,566
March 2004	973,551
April 2004	967,958
May 2004	974,311
June 2004	978,972
July 2004	977,175
August 2004	979,727
September 2004	981,595
October 2004	981,936
November 2004	983,547
December 2004	982,793
January 2005	977,687
February 2005	987,060
March 2005	989,296
April 2005	985,526
May 2005	986,287
June 2005	984,084
July 2005	991,395
August 2005	993,569
September 2005	999,285
October 2005	1,001,031
November 2005	999,714
December 2005	1,000,881
January 2006	997,605
February 2006	1,012,059
March 2006	1,010,201
April 2006	1,014,111
May 2006	1,019,784
June 2006	1,007,301
July 2006	1,005,887
August 2006	1,015,199
September 2006	1,011,473
October 2006	1,016,921
November 2006	1,023,932
December 2006	1,022,243
January 2007	1,028,925
February 2007	1,036,953
March 2007	1,021,053
April 2007	1,020,861
May 2007	1,015,199
June 2007	1,011,179
July 2007	1,005,474
August 2007	1,010,699
September 2007	1,007,599
October 2007	1,004,799
November 2007	998,681
December 2007	1,000,171
January 2008	1,004,555
February 2008	996,060
March 2008	1,007,716
April 2008	997,694
May 2008	987,990
June 2008	983,981
July 2008	971,662
August 2008	971,764
September 2008	956,861
October 2008	979,642
November 2008	978,571
December 2008	980,177
January 2009	975,858
February 2009	968,268
March 2009	965,586
April 2009	956,319
May 2009	958,778
June 2009	944,169
July 2009	932,690
August 2009	920,007
September 2009	904,586
October 2009	895,792
November 2009	892,551
December 2009	895,270
January 2010	895,294
February 2010	890,479
March 2010	873,504
April 2010	847,680
May 2010	847,259
June 2010	840,614
July 2010	837,713
August 2010	840,595
September 2010	839,384
October 2010	834,736
November 2010	831,990
December 2010	830,109
January 2011	832,686
February 2011	830,312
March 2011	841,244
April 2011	835,606
May 2011	838,805
June 2011	837,030
July 2011	840,695
August 2011	827,487
September 2011	838,284
October 2011	841,468
November 2011	842,874
December 2011	850,934
January 2012	850,672
February 2012	848,663
March 2012	844,908
April 2012	841,755
May 2012	851,404
June 2012	853,371
July 2012	848,353
August 2012	843,802
September 2012	847,588

Productive Acres



Productive Acres

<u>Month/Year</u>	<u>Acres</u>
September 2011	381,254
October 2011	380,799
November 2011	381,773
December 2011	383,054
January 2012	382,725
February 2012	383,551
March 2012	382,172
April 2012	381,061
May 2012	382,465
June 2012	382,986
July 2012	381,559
August 2012	379,777
September 2012	379,775