

MINUTES

STATE MINERAL AND ENERGY BOARD

REGULAR MEETING AND LEASE SALE

SEPTEMBER 11, 2013

STATE MINERAL AND ENERGY BOARD
REGULAR MEETING AND LEASE SALE MINUTES
SEPTEMBER 11, 2013

A Regular Meeting and Lease Sale of the State Mineral and Energy Board was held on Wednesday, September 11, 2013, beginning at 11:14 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

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

W. Paul Segura, Jr., Chairman
Thomas L. Arnold, Jr., Vice-Chairman
Emile B. Cordaro
Stephen Chustz, DNR Secretary
Louis J. Lambert
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:
Dan R. Brouillette
Robert "Michael" Morton

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

Also recorded as present were:

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

Upon motion of Mr. Arnold, seconded by Mr. Sanders, and unanimously adopted by the Board, the Board recessed the regular meeting to continue the Committee Meetings at 11:15 a.m.

Upon motion of Mr. Sanders, seconded by Mr. Smith, and unanimously adopted by the Board, the Board reconvened the regular meeting at 11:17 a.m.

The Chairman stated that the first order of business was the approval of the August 14, 2013 Minutes. A motion was made by Mr. Lambert to adopt the Minutes as submitted and to

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waive reading of same. His motion was seconded by Mr. Smith 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. Lambert, 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.

At this time, the Chairman announced that the Board would recess its regular meeting at 11:18 a.m. to go into executive session for technical briefing in order to consider matters before the Board which were confidential in nature. A motion was made by Mr. Sanders, seconded by Mr. Lambert, 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. Lambert, seconded by Mr. Sanders, and unanimously adopted by the Board, the Board reconvened in open session at 11:25 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.)

Mr. Vaughn stated that the bid for Tract 43456 is an unacceptable bid due to insufficient consideration. As the result, the staff recommends rejection of the bid by Endeavor Natural Gas, LP and re-advertising with minimums.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43446, said portion being 36.500 acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43447, said portion being 205.780 acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

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Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43449, said portion being 372.420 acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43454, said portion being 69.000 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 Tract 43457 to Charleston Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43458 to Banff Energy, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43459 to Banff Energy, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43460 to Banff Energy, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43461, said portion being 305.710 acres more particularly described in said bid and outlined on accompanying plat, to Lobo Operating, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43466, said portion being 552.250 acres more particularly described in said bid and outlined on accompanying plat, to Lobo Operating, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43470, said portion being 289.000 acres more particularly described in said bid and outlined on accompanying plat, to Clayton Williams Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43473 to Swift Energy Operating, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43474 to Swift Energy Operating, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43475 to Swift Energy Operating, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43476 to Swift Energy Operating, LLC.

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Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43478, said portion being 176.000 acres more particularly described in said bid and outlined on accompanying plat, to Allen & Kirmse, Ltd.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a second lease on a portion of Tract 43478, said portion being 289.000 acres more particularly described in said bid and outlined on accompanying plat, to Allen & Kirmse, Ltd.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43479, said portion being 35.000 acres more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43485 to HEP Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43486 to HEP Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43487 to HEP Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43488 to HEP Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43489 to HEP Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43490 to HEP Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43491 to HEP Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43492 to HEP Energy, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43493 to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43495 to Texas Petroleum Investment Company.

This concluded the awarding of the leases.

The following announcements were then made:

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Ms. Talley stated that “the total for today’s Lease Sale is \$2,715,392.15, bringing the fiscal year-to-date total to \$4.8 million.”

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Lambert, seconded by Mr. Chustz, the meeting was adjourned at 11:27 a.m.

Respectfully submitted,



Victor M. Vaughn
Executive Officer
State Mineral and Energy Board

THE FOLLOWING OPENING OF SEALED
BIDS MEETING MINUTES, COMMITTEE
REPORTS AND RESOLUTIONS WERE
MADE A PART OF THE SEPTEMBER 11,
2013 STATE MINERAL AND ENERGY
BOARD REGULAR MEETING AND LEASE
SALE MINUTES BY REFERENCE

STATE MINERAL AND ENERGY BOARD
OPENING OF SEALED BIDS MINUTES
SEPTEMBER 11, 2013

A public meeting for the purpose of opening sealed bids was held on Wednesday, September 11, 2013, beginning at 8:43 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Recorded as present were:

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

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:

September 11, 2013

**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. 43446 through 43496, have been advertised in accordance with and under the provisions of Chapter 2, Title 30 of the Revised Statutes of 1950, as amended.

Yours very truly,

(Original signed)

Emile Fontenot
Assistant Director
Petroleum Lands Division

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

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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 43446
(Portion – 36.500 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Five (5) years
Cash Payment	:	\$25,732.50
Annual Rental	:	\$12,866.25
Royalties	:	24% on oil and gas
	:	24% on other minerals
Additional Consideration	:	None

Tract 43447
(Portion – 205.780 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Five (5) years
Cash Payment	:	\$145,074.90
Annual Rental	:	\$72,537.45
Royalties	:	24% on oil and gas
	:	24% on other minerals
Additional Consideration	:	None

Tract 43448

No Bids

Tract 43449
(Portion – 372.420 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Five (5) years
Cash Payment	:	\$521,388.00
Annual Rental	:	\$260,694.00
Royalties	:	24% on oil and gas
	:	24% on other minerals
Additional Consideration	:	None.

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No Bids Tract 43450

No Bids Tract 43451

No Bids Tract 43452

INLAND TRACTS

No Bids Tract 43453

Tract 43454
(Portion – 69.000 acres)

Bidder	:	Theophilus Oil, Gas & Land Services, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$13,800.00
Annual Rental	:	\$6,900.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

No Bids Tract 43455

Tract 43456

Bidder	:	Endeavor Natural Gas, LP
Primary Term	:	Three (3) years
Cash Payment	:	\$800.00
Annual Rental	:	\$400.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 43457

Bidder	:	Charleston Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$73,575.00
Annual Rental	:	\$36,787.50
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

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Tract 43458

Bidder	:	Banff Energy, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$654,024.00
Annual Rental	:	\$327,012.00
Royalties	:	23.50% on oil and gas
	:	23.50% on other minerals
Additional Consideration	:	None

Tract 43459

Bidder	:	Banff Energy, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$503,727.00
Annual Rental	:	\$251,863.50
Royalties	:	23.50% on oil and gas
	:	23.50% on other minerals
Additional Consideration	:	None

Tract 43460

Bidder	:	Banff Energy, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$331,653.00
Annual Rental	:	\$165,826.50
Royalties	:	23.50% on oil and gas
	:	23.50% on other minerals
Additional Consideration	:	None

Tract 43461

(Portion – 305.710 acres)

Bidder	:	Lobo Operating, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$77,956.05
Annual Rental	:	\$38,978.03
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 43462

No Bids

Tract 43463

No Bids

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No Bids Tract 43464

No Bids Tract 43465

Tract 43466
(Portion – 552.250 acres)

Bidder	:	Lobo Operating, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$111,554.50
Annual Rental	:	\$55,777.25
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 43467
(Portion – 100.680 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$36,546.84
Annual Rental	:	\$18,273.42
Royalties	:	25.5% on oil and gas
	:	25.5% on other minerals
Additional Consideration	:	None

No Bids Tract 43468

No Bids Tract 43469

Tract 43470
(Portion – 289.000 acres)

Bidder	:	Clayton Williams Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$85,255.00
Annual Rental	:	\$42,628.00
Royalties	:	23% on oil and gas
	:	23% on other minerals
Additional Consideration	:	None

No Bids Tract 43471

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	Tract 43472	
No Bids		
	Tract 43473	
Bidder	:	Swift Energy Operating, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$397.17
Annual Rental	:	\$198.59
Royalties	:	25% on oil and gas
	:	25% on other minerals
	:	None
	Tract 43474	
Bidder	:	Swift Energy Operating, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$2,779.36
Annual Rental	:	\$1,389.68
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None
	Tract 43475	
Bidder	:	Swift Energy Operating, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$153.32
Annual Rental	:	\$76.66
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None
	Tract 43476	
Bidder	:	Swift Energy Operating, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$13,685.58
Annual Rental	:	\$6,842.79
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None
	Tract 43477	
No Bids		

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Tract 43478
 (Portion – 176.000 acres)

Bidder	:	Allen & Kirmse, Ltd.
Primary Term	:	Three (3) years
Cash Payment	:	\$30,448.00
Annual Rental	:	\$15,224.00
Royalties	:	22.50% on oil and gas
	:	22.50% on other minerals
Additional Consideration	:	None

Tract 43478
 (Portion – 289.000 acres)

Bidder	:	Allen & Kirmse, Ltd.
Primary Term	:	Three (3) years
Cash Payment	:	\$86,989.00
Annual Rental	:	\$43,494.50
Royalties	:	22.50% on oil and gas
	:	22.50% on other minerals
Additional Consideration	:	None

Tract 43479
 (Portion – 35.000 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$24,500.00
Annual Rental	:	\$12,250.00
Royalties	:	24% on oil and gas
	:	24% on other minerals
Additional Consideration	:	None

No Bids Tract 43480

No Bids Tract 43481

No Bids Tract 43482

No Bids Tract 43483

No Bids Tract 43484

STATE AGENCY TRACTS

Tract 43485

Bidder	:	HEP Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$305.59
Annual Rental	:	\$152.80
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 43486

Bidder	:	HEP Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$1,304.11
Annual Rental	:	\$652.06
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 43487

Bidder	:	HEP Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$538.00
Annual Rental	:	\$269.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 43488

Bidder	:	HEP Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$538.00
Annual Rental	:	\$269.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

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Tract 43489

Bidder	:	HEP Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$538.00
Annual Rental	:	\$269.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 43490

Bidder	:	HEP Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$538.00
Annual Rental	:	\$269.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 43491

Bidder	:	HEP Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$538.00
Annual Rental	:	\$269.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 43492

Bidder	:	HEP Energy, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$538.00
Annual Rental	:	\$269.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

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Tract 43493

Bidder	:	Theophilus Oil, Gas & Land Services, LLC
Primary Term	:	One (1) year
Cash Payment	:	\$6,000.00
Annual Rental	:	\$ -----
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 43494

No Bids

Tract 43495

Bidder	:	Texas Petroleum Investment Company
Primary Term	:	Three (3) years
Cash Payment	:	\$1,862.42
Annual Rental	:	\$931.21
Royalties	:	23% on oil and gas
	:	23% on other minerals
Additional Consideration	:	None

Tract 43496

No Bids

This concluded the reading of the bids.

There being no further business, the meeting was concluded at 9:10 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, September 11, 2013 at 9:50 a.m. with the following members of the Board in attendance: Mr. W. Paul Segura, Jr., Mr. Thomas L. Arnold, Jr., Mr. Stephen Chustz, Mr. Emile B. Cordaro, Mr. Louis J. Lambert, Mr. Thomas W. Sanders, Mr. Darryl D. Smith, Mr. Chip Kline, sitting in for Garret Graves, Governor Jindal's designee to the State Mineral and Energy Board. A brief recess due to technical difficulties with the recording equipment occurred just after the meeting began, and reconvened at 10:10 a.m.

I. Geological and Engineering Staff Review

According to SONRIS there are 1,841 active State Leases covering almost 770,000 acres. The Geological and Engineering Division has reviewed 143 leases covering approximately 35,000 acres.

II. Force Majeure

- 1.) Black Elk Energy requests an additional extension to the force majeure recognition until the November 13, 2013 meeting, affecting State Lease 14905, due to the lack of a gas market caused by the Texas Gas pipeline failure in 2012.

The staff recommends that the Board approve the additional extension to the force majeure recognition until the November 13, 2013 meeting.

- 2.) Energy Properties requests an additional extension to the force majeure recognition until the March 12, 2014 meeting, affecting State Lease 725, due to the lack of a gas market caused by the Texas Gas pipeline failure in 2012.

The staff recommends that the Board approve the additional extension to the force majeure recognition until the March 12, 2014 meeting.

- 3.) Palm Energy Offshore LLC requests recognition of a force majeure event, affecting State Lease 18936, due to rig availability.

Ms. Colleen Jarrott, representing Palm Energy Offshore LLC, made an appearance before the Board to give a brief explanation and to answer any questions the Board had, after which the staff recommended that the Board approve recognition of a force majeure event and the Board give Palm Energy Offshore LLC until the November 13, 2013 meeting to restore production to the lease.

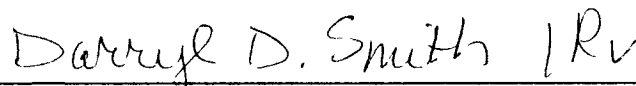
Updated 08/27/2013

Company Name	Lease Numbers
Leases Off Production Due to Non-Storm Related Force Majeure Events	
Black Elk Energy	14905 (September)
Energy Properties Inc.	725 (September)
Palm Energy Offshore LLC	18936
Stone Energy Offshore, L.L.C.	15074, 17309, A0285 (January' 2014)

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

On motion by Mr. Cordaro, seconded by Mr. Chustz, the Committee moved to adjourn the September 11, 2013 meeting at 10:13 a.m.

Respectfully submitted,



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

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEASE REVIEW COMMITTEE

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

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

WHEREAS, on April 9, 2012, a Texas Gas pipeline ruptured and exploded in the vicinity of Bay Junop Field causing the cessation of production from operators who utilized the line to sell and transport gas;

WHEREAS, Black Elk Energy (herein, "Black Elk") requested recognition of a force majeure condition preventing the continuous operation and production of State Lease 14905 in Terrebonne Parish as a result of the pipeline explosion;

WHEREAS, at the June 12, 2013 meeting, the Board extended recognition of the force majeure condition until the meeting on September 11, 2013;

WHEREAS, Black Elk has submitted an update report stating that the process of acquiring a gas market will require additional time and requests an extension of the force majeure recognition;

NOW THEREFORE BE IT RESOLVED that the Louisiana State Mineral and Energy Board, in consideration of the facts stated herein, by these present, extends recognition of the force majeure event until such time as a gas market is restored permitting the company to restore production to the state lease or until the November 13, 2013 Board meeting whichever occurs first. Black Elk Energy shall submit monthly updates and diligently pursue re-establishing production. The Board reserves its right to reconsider this matter at any time.

CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEASE REVIEW COMMITTEE

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

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

WHEREAS, on April 9, 2012, a Texas Gas pipeline ruptured and exploded in the vicinity of Bay Junop Field causing the temporary cessation of production to operators who utilized the line to sell and transport gas;

WHEREAS, Energy Properties Inc. requested recognition of a force majeure condition preventing the continuous operation and production of the State Lease 725 in Terrebonne Parishes as a result of the pipeline explosion;

WHEREAS, at the March 13, 2012 meeting; the Board extended recognition of the force majeure condition until the September 11, 2013 meeting.

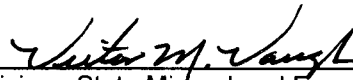
WHEREAS, Energy Properties Inc. has submitted an update report stating that the process of acquiring the pipeline from Texas Gas will require an additional six (6) months and request an extension of the force majeure recognition;

WHEREAS, Energy Properties Inc. is making in-lieu royalty payments as required in the lease agreement,

NOW THEREFORE BE IT RESOLVED that the Louisiana State Mineral and Energy Board, in consideration of the facts stated herein, by these present, does hereby recognize and acknowledge the force majeure event as of April 9, 2012 due to rupture and subsequent explosion of the pipeline operated by Texas Gas that prevent sale and transportation of gas from wells and production facilities to maintain State Lease 725 in Terrebonne Parishes, Louisiana. The Board extends recognition of the force majeure condition until such time as the gas pipeline service is restored or until the March 12, 2014 Board meeting whichever occurs first. Energy Properties Inc. shall submit monthly updates and diligently pursue re-establishing production. The Board reserves its right to reconsider this matter at any time.

CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEASE REVIEW COMMITTEE

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

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

WHEREAS, Palm Energy Offshore, L.L.C. (herein "Palm Energy") requests that the Board recognize that a force majeure condition exists for State Lease 18936 in Acadia Parish, Louisiana due to the availability of a workover rig necessary to complete reworking operations affecting the lease beginning May 28, 2013;

WHEREAS, there were 24 days remaining in the 90 day continuous operations period at the time the Force Majeure event occurred;

WHEREAS, State Lease 18936 includes a "Force Majeure" provision which allows the Operator to maintain the lease without complying with the actual drilling or reworking operations or by actual production requirements for as long as the force majeure is in effect;

WHEREAS, Terry L. Floyd, owner of Tortuga Ventures, L.L.C. a consulting company that is under contract with Palm Energy Offshore, L.L.C., submitted a notarized affidavit on behalf of Palm Energy, which stated that the activities and/or fortuitous events which caused the force majeure was beyond the control, not the cause, and/or due to said company and/or business entity's negligence or intentional commission or omission;

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

NOW THEREFORE BE IT RESOLVED that the Louisiana State Mineral and Energy Board, in consideration of the facts stated herein, by these present, does hereby recognize and acknowledge the force majeure event beginning May 28, 2013 until such time as Palm Energy Offshore, L.L.C. obtains a rig to complete reworking operations affecting State Lease 18936 or the November 13, 2013 meeting whichever occurs earlier. Once Palm secures a workover rig, Palm Energy Offshore, L.L.C. will have 24 days to initiate downhole operations. After initiating downhole operations Palm shall maintain the lease in accordance with the normal language in the lease concerning continuing operations and production. The Board requires that Palm Energy Offshore, L.L.C. submit to the staff monthly updates due no later than the 1st of each month. Furthermore, the Board requires that Palm Energy Offshore, L.L.C. in a due diligent manner, mitigate, or negate the effect of future events and make timely notification of any future events to the Mineral and Energy Board's staff of said activities which cause the force majeure.

CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

Louisiana Department of Natural Resources (DNR)

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Staff Reviews

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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
12002		MAIN PASS BLOCK 31	220.47 07/10/2008	283.005	283.005	SEP. AR 8/19/13 JMB HBP 1 UNIT
16849		MAIN PASS BLOCK 47	235675-BA BB RA SUA;SL 16849-002-ALT 06/05/2007	122.23	122.23	SEP. AR 8/19/13 JMB HBP 1 UNIT
16851		MAIN PASS BLOCK 47	BA BB RA SUA;SL 16849 10/29/2002 1331-F 06-633	63.36	63.36	SEP. AR 8/19/13 JMB HBP 1 UNIT
17546		LAKE BORGNE	85.92 07/30/2003	185.56	185.56	SEP. AR 8/19/13 JMB HBP 1 LEASE WELL
17814		MAIN PASS BLOCK 69		657.75	657.75	SEP. AR 8/19/13 JMB HBP 3 LEASE WELLS
18622		POINTE A LA HACHE	28.631 08/20/2007	.369	.369	SEP. AR 8/19/13 JMB HBP 1 UNIT
19277		STUARDS BLUFF, EAST	142.718 06/04/2010	162.282	162.282	SEP. 8/19/13 JMB RELEASE REQUESTED, FOLLOW UP LETTER SENT 7/16/12
19391		BRETON SOUND BLOCK 53	VUD; 03/14/2012	572.71	572.71	SEP. AR 8/19/13 JMB HBP 1 UNIT 1 VU
19563		STUARDS BLUFF, EAST	72.955 06/04/2010	59.335	59.335	SEP 8/19/13 JMB RELEASE REQUESTED, FOLLOWUP SENT 7/16/12
19706		COQUILLE BAY	80 10/04/2011	108	108	SEP. AR 8/20/13 JMB HBP 1 UNIT
20103		MAIN PASS BLOCK 35		40	40	SEP. 8/20/13 JMB 40 AC PRODUCTIVE - 1 LEASE WELL
20967				0	239.68	SEP. PT 6/13/15 8/20/13 JMB PAID RENTAL 6/13/13
20968				0	159.99	SEP. PT 6/13/15 8/20/13 JMB PAID RENTAL 06/13/13

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Staff Reviews

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District Code	1W	New Orleans- West				
Get Review Date	September 11, 2013					
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00328B		LAKE LONG	185 01/09/2012	833	1334	SEP. AR 8/20/13 JMB 3 LEASE WELLS - 1 UNIT
00356D		QUEEN BESS ISLAND	LBLD RB SUA;SL 17617 747-D-4	64.85	4159	SEP. 8/20/13 JMB 1 UNIT HBP
00800		GRAND ISLE BLOCK 16	SL 800	1364	3075.41	SEP. AR 8/20/13 JMB HBP 1 UNIT
01451		LAKE RACCOURCI	30.456 07/15/2011	345	712.224	SEP. OB 8/20/13 JMB HBP 1 LEASE WELL - 3 UNITS
01922		BURRWOOD, SOUTH PASS BLOCK 24, SOUTH PASS BLOCK 24 OFFSHORE(8453 7/97, WEST DELTA BLOCK 83	8000 (S) RH SUH;SL 978 227-A-2 98-781	1093	2000	SEP. AR 8/20/13 JMB HBP 8 UNITS - 3 VU'S
02084		MAIN PASS BLOCK 69, QUEEN BESS ISLAND	VUA,SL 2084 U1	300	2160	SEP. AR 8/20/13 JMB HBP 3 UNITS
03279		BASTIAN BAY	J RC SUA;LL&E FEE 339-J-5 97-242	441	574	SEP. AR 8/20/13 JMB HBP 3 UNITS
07394		TIMBALIER BAY OFFSHORE	TB NVUA 08/01/1989	49.028	49.028	SEP. AR 8/20/13 JMB HBP 1 UNIT
08512		BAY BATISTE	28 RA SUA;SL 9570 04/01/1996	29.778	234.803	SEP. AR 8/20/13 JMB HBP 1 UNIT
15822		SATURDAY ISLAND	83.886 09/17/2002	182.114	182.114	SEP. AR 8/20/13 JMB HBP 1 UNIT
15918		TIGER PASS	256.662 02/05/2007	486.814	486.814	SEP. AR 8/20/13 JMB HBP 2 UNITS
17716		STELLA	8750 RA SUA;MEYER ETAL 02/17/2004 27-J 04-127	.001	.24	SEP. AR - 8/20/13 JMB HBP 1 UNIT
17720		STELLA	8750 RA SUA;MEYER ETAL 02/17/2004 27-J 04-127	.016	.11	SEP. AR- 8/20/13 JMB HBP 1 UNIT
17739		QUEEN BESS ISLAND	LBLD RB SUA;SL 17617 747-D-4	25.817	25.817	SEP. AR 8/20/13 JMB HBP 1 UNIT
18010		LITTLE LAKE	37 04/06/2009	145	145	SEP. AR 8/20/13 JMB HBP 3 UNITS
18139		LAKE PALOURDE, EAST	22.372 08/05/2009	3.628	3.628	SEP. AR 8/20/13 JMB HBP 1 UNIT
18651		DELTA FARMS		169.99	169.99	SEP. AR 8/20/13 JMB HBP 1 LEASE WELL
19950		DRAKES BAY	K RA SUA;SL 19250 1039-F	5.447	25	SEP. 08/20/13 JMB HBP 1 UNIT

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District Code	1W	New Orleans- West				
Get Review Date	September 11, 2013					
Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
20627		LAKE SALVADOR, WEST	245575-CRIS I RA SUA;SL 20627-002-ALT 11/02/2012	215.36	219	SEP PT 6/8/14 8/20/13 JMB HBP 215.36 PROD. ACRES - 1 UNIT
20644				0	125.23	SEP. PT 6/8/14 8/20/13 JMB PAID RENTAL 6/8/13
20645		LAKE SALVADOR, WEST	244757-CRIS I RA SUA;SL 20645-002 06/12/2012	151.96	151.96	SEP. PT 6/8/14 8/20/13 JMB HBP 1 UNIT
20970				0	33	SEP. PT 6/13/15 8/20/13 JBM PAID RENTAL 6/13/13
20971				0	30	SEP PT 6/13/15 8/20/13 JMB PAID RENTAL 6/13/13
20972		LEEVILLE	U95-L96 RB SUA;J N LEFORT ETAL 09/25/2012 617-KK-1	.157	15	SEP PT 6/13/15 8/20/13 JMB .157 PRODUCTIVE ACRES HBP 1 UNIT
20973		LEEVILLE	U95-L96 RB SUA;J N LEFORT ETAL 09/25/2012 617-KK-1	.596	4	SEP. PT 6/13/15 8/20/13 JMB .0596 AC PRODUCTIVE - PAID RENTAL 6/13/13

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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00532		AVERY ISLAND	242953-AI UL 2 RA SU;AVERY ISLD INC M-008 03/25/2011	34	288	SEP. AR 8/26/13 AW HBP FROM MULTIPLE UNITS. TPIC IS PRESENTLY WORKING ON A VOLUNTARY PARTIAL RELEASE
00540		WHITE LAKE, WEST	SL 15038	4067	4810	SEP. AR 8/19/13 AJL HBP FROM SEVERAL UNITS;
00743		WEEKS ISLAND	CM RA SUJ;ST WKS BAY 05/07/2013 146-F 13-237	158.62	158.62	SEP. AR 8/26/13 AW HBP IN 8 UNITS (S RF SUA, U RF SUA, V RC SUA, U RA SUA, CM RA SUL, CM RA SUD, CM RA SUH, CM RA SUI) AND LEASE WELLS
01337		BATEMAN LAKE , SWEET BAY LAKE	9700 RSW1B SUA;SL 1337 WAX U1 89-K-3 90-110	600	2076	SEP. 8/19/13 AJL LEASE TERMINATED AUGUST 15, 2013
01755		TIGRE LAGOON	PLAN 6 SU A; E. DELCAMBRE 07/01/2003 192-L 70-202	6	6	SEP. AR 8/26/13 AW HBP IN 4 UNITS (9900 RA SUA, PLAN 7 SUA, S CRIST SUA, BIG 3-2 SUB),
02024		BAYOU BOUILLON	MT 1 RA SUA; 03/01/1997	94	720	SEP. AR 8/19/13 AJL HBP FROM TWO UNITS
02276		LAKE SAND	LSA ROB 5 RA SU 216-C-1	422	480.1	SEP. AR 8/26/13 AW HBP IN 2 UNITS (ROB 5 RA SU & OPERC VUA)
02412		LIVE OAK	LIVE OAK PLANTATION TRUST 300-C-3	67.642	67.642	SEP. AR 8/19/13 AJL HBP FROM TWO UNITS
02413		LIVE OAK	46 04/30/2008	19	71	SEP. AR 8/26/13 AW HBP IN 2 UNITS (GODCHAUX RA SU & STOVALL RA SUC)
07712		LAKE ARTHUR, SOUTH	CAM 4 RC SUA;FRITZ LANG 12/09/2008 745-J-2 08-1864	641.52	641.52	SEP. AR 8/19/13 AJL HBP FROM LEASE PRODUCTION, AND UNIT PRODUCTION
07868		EUGENE ISLAND BLOCK 18	104.34 07/14/2009	12.01	12.01	SEP. AR 8/26/13 AW HBP IN 1 UNIT (AA RD SUA)
07870		EUGENE ISLAND BLOCK 18	586.992 07/02/2009	108.508	108.508	SEP. AR 8/19/13 AJL HBP FROM ONE UNIT
15612		WEEKS ISLAND	V RC SUA;SL 15612 11/27/2012 146-E-7 12-593	.265	.265	SEP. AR 8/26/13 AW HBP IN 3 UNITS (S RF SUA, V RC SUA, & U RA SUA)
16815		RAMOS	17.337 11/22/2005	55.204	55.204	SEP. AR 8/19/13 AJL HBP FROM ONE UNIT

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Staff Reviews

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District Code 2 Lafayette

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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
19268				0	183.37	SEP. 7/19/12 REL RQD 2/22/12 REL RQD 2/17/12 RS REID APP EXP PT 2/14/12
19397		EUGENE ISLAND BLOCK 10	CIB OP EI 10 VUC;SL 19266 01/27/2012	9.44	52.48	SEP. AR 8/19/13 AJL HBP FROM ONE UNIT
19642		KENT BAYOU	25.032 07/01/2011	44.968	44.968	SEP. AR 8/26/13 AW HBP IN 1 UNIT (CIB O RA SUA; CL&F 34)
20352				0	305.78	SEP. PT 6/9/15 8/19/13 AJL HELD BY RENTAL ON 05/28/2013
20368		ATCHAFALAYA BAY	VUA; 12/14/2011	266.75	266.75	SEP. PT 6/9/13 ATCHAFALAYA DELTA WMA 8/26/13 AW HBP IN 1 UNIT (VUA)
20369		ATCHAFALAYA BAY	245544-VUA;SL 20369- 002 10/22/2012	235.84	235.84	SEP. ATCHAFALAYA DELTA WMA 8/19/13 AJL HBP FROM ONE UNIT
20432		INTRACOASTAL CITY	8.46 11/13/2012	1.54	1.54	SEP. PT 9/8/13 8/26/13 AW HBP IN 1 UNIT (K-O RB SUA)
20434		KENT BAYOU	47.335 09/24/2012	17.665	17.665	SEP. PT 9/8/13 8/19/13 AJL HBP FROM ONE UNIT
20631				0	30	SEP. PT 6/8/14 RENTAL PAYMENT REC'D 6/6/13
20632				0	444.773	SEP. PT 6/8/14 8/19/13 AJL HELD BY RENTAL ON 06/06/2013
20965				0	30	SEP. PT 6/13/15
20976				0	40	SEP. PT 6/13/15 8/19/13 AJL HELD BY RENTAL ON 05/23/2013

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Staff Reviews

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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review in
00502		CATAHOULA LAKE	241512-WX C RC SU64;SL 502-001-ALT 06/15/2010	120	179	SEP. AR 8/19/13 SR AR - ACREAGE HELD BY 5 UNITS. ROYALTY AND PROD. HAVE IMPROVED SINCE LAST REVIEW.
00651		DELHI	DELHI HOLT BRYANT SU; 07/01/1976	.06	.06	SEP. AR 8/19/13 SR AR - 100% HBP 2 UNITS.
00652		DELHI	DELHI HOLT BRYANT SU; 07/01/1976	3.036	3.036	SEP. AR 8/19/13 SR AR - 100% HBP 2 UNITS
00736		DELHI	DELHI MENGEL UGR SU; DELHI UT. 07/01/1976	20	20	SEP. AR 8/19/13 SR AR - 100% HBP 2 UNITS
00737		DELHI	DELHI MENGEL UGR SU; DELHI UT. 07/01/1976	2.88	2.88	SEP. AR 8/19/13 SR AR - 100% HBP 2 UNITS.
00902		DELHI	DELHI MENGEL UGR SU; DELHI UT. 07/01/1976	3.39	3.39	SEP. AR 8/19/13 SR AR - 100% HBP 2 UNITS.
01461		CATAHOULA LAKE , CATAHOULA LAKE, WEST	40 03/08/2004	221.645	345	SEP. AR 8/19/13 SR ACREAGE HELD BY PRODUCTION FROM 4 UNITS.
01462		CATAHOULA LAKE , CATAHOULA LAKE, WEST	2810 08/11/1999	40	207	SEP. AR 8/19/13 SR ACREAGE HELD FROM 1 PRODUCING UNIT.
02178		DELHI	DELHI HOLT BRYANT SU; 07/01/1976	5.78	5.78	SEP. AR 8/19/13 SR - 100% HBP 2 UNIT
02179		DELHI	DELHI HOLT BRYANT SU; 07/01/1976	1.4	1.4	SEP. AR 8/19/13 SR 100% HBP 2 UNIT. NO ROYALTY PAYMENTS.
02225		DELHI	DELHI HOLT BRYANT SU; 07/01/1976	3.67	3.67	SEP. AR 8/19/13 SR - 100% HBP 2 UNIT. NO ROYALTY PAYMENTS.
02231		CADDO PINE ISLAND		80	80	SEP. AR 8/19/13 SR - LEASE HELD BY PRODUCTION FROM 9 STATE LEASE WELL
02259		CADDO PINE ISLAND		80	80	SEP. AR 8/19/13 SR - LEASE HELD BY PRODUCTION FROM 63 STATE LEASE WELL
02524		GREENWOOD-WASKOM	G W H.L. SU 12/01/1993	328.45	328.45	SEP. AR 8/19/13 SR - 100% HBP FROM 1 UNIT.

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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
02630		BETHANY LONGSTREET	HA RA SU78;MCFERREN 36 H 09/10/2009 289-R-49 09-965	16	16	SEP. AR 8/19/13 SR - 100% HBP FROM 3 UNITS.
02659		CADDO PINE ISLAND	CAPI VIV RA SU 03/01/1993	1	1	SEP. AR 8/19/13 SR - 100% HBP 1 UNIT.
04724		DANVILLE	HOSS A SUD: ALLEN 07/01/1976	30	30	SEP. 8/19/13 SAM REVIEWED, REC'D ONE RELEASE, BUT VERONICA STILL WAITING FOR OTHER WI OWNERS RELEASES
06002		MISSIONARY LAKE, NORTH	SMK A RA SUC;MCCALMAN 09/01/1989	12	250	SEP AR 8/19/13 SR WSN 178933 LUW 038506 ONLY PRODUCING UNIT ON LEASE. REQUIRES PR.
06037		ELM GROVE	HA RA SUBB;HUTCHINSON 10 H 11/13/2008 361-L-10	10.27	10.27	SEP. AR 8/19/13 SR - 100% HBP 12 UNITS.
06316		CEDAR GROVE	HA RA SUV;SMITH 3- 16-13 H 10/26/2010 967-C-14 10-1084	39.327	65.394	SEP. AR 8/19/13 SR - ACREAGE HELD FROM 2 PRODUCING UNITS. 7.14 AC. NOT COUNTED IN PRODUCTIVE ACREAGE DUE TO IT BEING A PRELIMINARY PLAT.
10413		CADDO PINE ISLAND	CAPI VIV RA SU 03/01/1993	4	4	SEP. AR 8/19/13 SR - 100% HBP 1 UNIT
10415		SLIGO	11.647 07/19/2010	26.2	26.2	SEP. AR 8/30/13 SR - 100% HBP FROM 1 UNIT.
10575		COTTON PLANT	HOSS RA SUP;MANVILLE F P 19 08/01/1985	40.21	40.21	SEP. 8/19/13 SR SUGGEST SAR. TWO UNITS HOLDING LEASE ARE NOT PRODUCING MUCH
12060		MONROE		48	48	SEP. AR 8/19/13 SR AR - ACREAGE HELD FROM 1 PRODUCUNG UNIT.
12894		MILLIGAN BAYOU, NORTHEAST	16.67 11/24/1999	26.4	26.4	SEP. AR 8/19/13 SR PR RS STARTED 7/18/2013.
13398		MILLIGAN BAYOU, NORTHEAST	32.66 03/02/1992	1.34	1.34	SEP. AR 8/19/13 SR - 100% HBP 1 UNIT
13920		CASPIANA	HA RA SUJJ;FRIERSON 11 H 10/21/2008 191-H-19 08-1596	8.068	8.068	SEP. AR 8/19/13 AR - 100% HBP 3 UNIT.
14499		SHREVEPORT	PXY RA SUD;WOOLWORTH 02/01/1995	99.228	99.228	SEP. AR 8/19/13 SR - 100% HBP FROM 1 UNIT.

Louisiana Department of Natural Resources (DNR)

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Lease Num	DA Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
14983	MASTERS CREEK	41.39 12/17/1998	40.61	40.61	SEP. AR 8/19/13 SR AR -100% HBP FROM 2 UNITS.
14988	MASTERS CREEK	7 05/21/2001	8	8	SEP. AR 8/19/13 SR AR - 100% HBP FROM 2 UNITS.
14990	MASTERS CREEK	38.386 09/22/1999	41.614	41.614	SEP. AR 8/19/13 SR - 100% HBP FROM 1 UNIT.
14993	MASTERS CREEK	15.748 09/29/2004	33.82	33.82	SEP. AR 8/19/13 SR AR - 100% HBP FROM 2 UNITS.
15045	MIDDLEFORK	CV DAVIS RB SUR;ROBERSON 01/01/1996	12	12	SEP. AR 8/19/13 SR AR - 100% HBP FROM 2 UNITS.
15046	MIDDLEFORK	CV DAVIS RB SUW;FULLER 11/01/1995	14	14	SEP. AR 8/19/13 SR - 100% HBP FROM 1 UNIT.
15388	BURR FERRY, NORTH	67.712 09/17/2003	83.539	83.539	SEP. SAR 8/19/13 SR - ACREAGE HELD BY 2 UNITS. PRODUCTION IS SPOTTY AND POOR.
16833	ELM GROVE	647 12/05/2003	6.292	6.292	SEP. AR 8/19/13 SR AR - 100% HBP (TITLE CONFLICT AREA)
17877	ELM GROVE	HA RA SUDD;FRIERSON BROS 31 H 11/10/2009 361-L-66 09-1187	10.497	10.947	SEP. AR 8/19/13 SR - 100% HBP FROM 3 UNITS.
17880	EOLA		15	15	SEP. AR 8/19/13 SR - ACREAGE HELD BY 2 STATE LEASE WELLS
18245	SWAN LAKE	HA RA SUE;JOHNSON 12-15-11 H 01/27/2009 691-C-1 09-94	9.46	9.46	SEP. AR 8/19/13 SR 100% HBP FROM 4 UNITS
18503	BRACKY BRANCH , RED RIVER-BULL BAYOU	HA RB SU68;ELMWOOD 30 H 10/20/2009 109-X-67 09-1120	215	215	SEP. AR 8/19/13 SR - 100% HBP FROM 7 UNITS. LUW 023561 RRBB TUSC SU ROYALTIES NOT BEING PAID.
18606	BRACKY BRANCH , RED RIVER-BULL BAYOU	HA RB SU65;DUPREE LAND 20 H 08/10/2009 109-X-62 09-971	30	30	SEP. AR 8/19/13 SR - 100% HBP FROM 4 UNITS. ROYALTIES NOT BEING PAID ON 023561 RRBB TUSC SU AND 616736 HA RB SUQQ,CECILE LAND 17 H

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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
18764		CASPIANA , THORN LAKE	HA RA SUB;LA WILDLIFE 05/20/2010 1145-B-32 10-515	92	92	SEP. AR SAL OMR MANAGED WLF 8/19/13 SR - 100% HBP FROM 2 UNITS
18768		CASPIANA	HA RA SUM;EVANS 4H 191-H-13 08-1047	16	16	SEP. AR VACANT STATE LANDS 8/19/13 SR AR - 100% HBP FROM 2 UNITS.
18863		RED RIVER-BULL BAYOU	HA RB SU68;ELMWOOD 30 H 10/20/2009 109-X-67 09-1120	28.16	28.16	SEP. AR 8/19/13 SR AR - 100% HBP FROM 3 UNITS. LUW 023561 RRBB TUSC SU ROYALTIES NOT BEING PAID.
19011		CASPIANA	HA RA SU117;CHK MIN 16-14-12 H 03/15/2011 191-H-131 11-117	3	3	SEP. AR 8/19/13 SR - 100% HBP FROM 4 UNITS
19027		CASPIANA	HA RA SU117,CHK MIN 16-14-12 H 03/15/2011 191-H-131 11-117	108.015	108.015	SEP. AR 8/19/13 SR AR - 100% HBP FROM 3 UNITS
19193		ELM GROVE	HA RA SU158;SORENSEN 35 08/17/2010 361-L-89 10-864	3	3	SEP. AR 8/19/13 SR - TAKE OFF SAR, PROD AND ROYALTIES OK. 100% HBP FROM 2 UNITS.
19695		RED RIVER-BULL BAYOU	HA RB SU78;KERVIN 13 H 01/26/2010 109-X-81 10-99	258	258	SEP. AR 8/19/13 SR - 100% HBP FROM 5 UNIS. LUW 023561 RRBB TUSC SU ROYALTIES NOT BEING PAID.
19831		CASPIANA , RED RIVER-BULL BAYOU	HA RC SUGG;CALHOUN 9-13-12 H 04/27/2010 109-X-97 10-451	80	80	SEP. AR 8/19/13 SR -100% HBP FROM 5 UNITS
19834		RED RIVER-BULL BAYOU	HA RB SU55;RCSR 27-13-11 H 10/13/2009 109-X-66 09-1107	43	43	SEP. AR 8/19/13 SR - 100% HBP. ACREAGE HELD BY 2 UNITS. ROYALTIES NOT BEING PAID ON 616583 HA RB SU55;RCSR 27-13-11 H DUE TO TITLE DISPUTE
20014		WOODARDVILLE	HA RA SU64;EDGAR CASON 6H 04/28/2009 990-D-14 09-463	56	56	SEP. AR 8/19/13 SR - 100% HBP FROM 5 UNIT LUW'S. CROSS-UNIT LATERALS.
20075		GAHAGAN	HA RA SUP;WILKINSON-ALMOND 14H 05/04/2010 909-H-10 10-500	125.65	125.65	SEP. AR 8/19/13 SR - 100% HBP FROM 2 UNITS.
20079		THORN LAKE	HA RA SUS;LDW&F 15-14-12 H 01/19/2010 1145-B-25 10-88	27.5	27.5	SEP. AR 8/19/13 SR - 100% HBP FROM 1 UNIT.
20080		THORN LAKE	HA RA SUS;LDW&F 15-14-12 H 01/19/2010	13.5	13.5	SEP. AR SAL OMR MANAGED WLF 8/19/13 SR AR - 100% HBP FROM 1 UNIT.

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 19, 2013 1:05 PM

District Code 3 Lake Charles- North
Get Review Date September 11, 2013

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review in
			1145-B-25 10-88			
20081		RED RIVER-BULL BAYOU	HA RD SUBB;GUION 23-14-12 H 10/13/2009 109-X-65 09-1106	68	68	SEP. AR SAL OMR MANAGED WLF 8/19/13 SR - 100% HBP FROM 2 UNITS.
20354		ELM GROVE , SLIGO	.386 06/07/2011	10.614	10.614	SEP. AR 8/19/13 SR 100% HBP FROM 4 UNITS. RECOMMEND AR. 616292 HA RA SU83,DYSON 34-17-12 H ROYALTIES NOT BEING PAID.
20355		ELM GROVE , LAKE BISTINEAU	89 09/13/2011	448.01	456	SEP. AR 8/30/13 SR - 100% HBP FROM 3 UNIT.
20356		CASPIANA , ELM GROVE	14 10/18/2011	21.221	21.221	SEP.AR 8/30/13 SR 21.221 ACRES PER CERTIFIED SURVEY PLAT - 100% HBP FROM 2 UNIT.
20357				0	21	SEP. PT 6/9/13 8/19/13 SR RELEASE REQUESTED 6/24/13
20358		LISMORE LANDING, EAST	WX VUA;PITTS-BRANE STROM 07/14/2010	22.61	22.61	SEP. AR 8/19/13 SR 100% HBP FROM 1 UNIT RECOMMEND AR.
20370		ELM GROVE	LCV RA SU119;LEONARD RD FRMS32 10/22/2008 361-E-546 08-1636	8.91	8.91	SEP. TAX ADJUDICATED LAND 8/19/13 SR 100% HBP FROM 1 UNIT. RECOMMEND AR
20619		ELM GROVE	HA RA SUWW;COTSWOLD 17-16-10 H 04/27/2010 361-L-82 10-450	241	241	SEP. PT 6/8/14 8/19/13 SR 100% HBP FROM 2 UNITS. RECOMMEND AR
20620		ALABAMA BEND	HA RA SUV;BURKETT 5-15-10 H 03/16/2010 1490-C-9 10-274	22	22	SEP. AR PT 6/8/14 8/19/13 SR 100% HBP FROM 1 UNIT. RECOMMEND AR
20621		SWAN LAKE	HA RA SUF;BOURGEOIS 13- 15-11 H 01/27/2009 691-C-1 09-94	.1	.1	SEP. AR 8/19/13 SR AR - 100% HBP FROM 1 UNIT
20975				0	98.8	SEP. PT 6/13/15 SCHOOL INDEMNITY LANDS 8/19/13 SR RENTAL PAYMENT MADE TO 6/14

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: September 19, 2013 1:05 PM

District Code 3S Lake Charles- South
Get Review Date September 11, 2013

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
08129		RACCOURCI ISLAND	272.926 02/10/1993	119.73	119.73	SEP. AR 8/30/13 SR - 100% HBP 1 UNIT
14999		CHENEYVILLE, WEST	5.665 12/05/2006	19.28	19.301	SEP. SAR
15000		CHENEYVILLE, WEST	.321 06/09/2006	41.936	41.936	SEP. SAR
16473		HOG BAYOU-OFFSHORE	392.2 12/16/2005	147.519	147.519	SEP. AR 8/30/13 SR - 100% HBP 2 UNIT
16475		HOG BAYOU-OFFSHORE	262.09 10/25/2006	134.75	134.75	SEP. AR 8/30/13 SR 100% - HBP FROM 2 PRODUCING UNITS
18121		HOG BAYOU-OFFSHORE		160	220	SEP. AR 8/30/13 SR - 1 UNIT HOLDS ACREAGE.
18560		GILLIS-ENGLISH BAYOU	7000 RA SUA;SL 18593 11/16/2010 252-LL 10-1193	16.21	16.21	SEP. AR 8/30/13 SR - HBP 2 UNITS. CONTINUOUS DH OPERATIONS MAINTAINED LEASE FROM 11/2012 TO 3/2013.
18561		GILLIS-ENGLISH BAYOU	14.8 08/29/2007	1.22	1.22	SEP. AR 8/30/13 SR - 100% HBP FROM 1 UNIT.
19014		STARKS	52.47 08/19/2010	13.53	13.53	SEP. AR 8/30/13 SR - 100% HBP FROM 1 UNIT.
19544		PORT BARRE	40.91 09/10/2010	9.09	9.09	SEP. AR 8/30/13 SR - 100% HBP FROM 1 UNIT.
20359				0	33	SEP. PT 6/9/13 8/30/13 SR RELEASE REQUESTED 6/24/2013
20360		EDGERLY , LUNITA, SOUTHEAST	29.546 08/12/2013	7.414	37	SEP. DD & PT 6/9/13 8/30/13 SR PR REQUESTED 6/24/2013
20361		GRAND CHENIERE	60.7 07/12/2012	23.3	23.3	SEP. AR 8/30/13 SR - 100% HBP 1 UNIT. TITLE DISPUTED MINERALS INTEREST.
20623		BANCROFT, SOUTH	80.47 09/11/2012	28.53	28.53	SEP. PT 6/8/14 8/30/13 SR - RETAINED ACREAGE 100% HBP FROM 1 UNIT
143				19,234.114	34,792.928	



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

NOMINATION AND TRACT COMMITTEE REPORT

The Nomination and Tract Committee, convened at **10:13 a.m.** on Wednesday, September **11, 2013** with the following members of the Board in attendance:

Mr. Stephen Chustz	Mr. Thomas L. Arnold, Jr.	Mr. Emile B. Cordaro
Mr. Louis J. Lambert	Mr. Thomas W. Sanders	Mr. Paul Segura, Jr.
Mr. Darryl D. Smith		Mr. Chip Kline (sitting in for Garret Graves, Gov. Jindal's Designee)

The Committee heard the report of Mr. Emile Fontenot, relative to nominations received for the November 13, 2013 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Sanders**, duly seconded by **Mr. Chustz**, 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. Chustz**, seconded by **Mr. Lambert**, voted to adjourn at **10:14 a.m.**

Respectfully Submitted,

by E.B.
Handwritten signature of Emile B. Cordaro in black ink.

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. Chustz*, the following Resolution was offered and adopted:

WHEREAS, Mr. Emile Fontenot presented to the State Mineral and Energy Board that 110 tracts had been nominated for the November 13, 2013 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 11th day of September 2013, 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, September 11, 2013, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Thomas L. Arnold, Jr.
Stephen Chustz
Emile B. Cordaro

Chip Kline for Garrett Graves
Louis J. Lambert
Thomas W. Sanders

W. Paul Segura, Jr.
Darryl D. Smith

Mr. Thomas L. Arnold, Jr. convened the Committee at 10:14 a.m.

The first matter considered by the Committee was a penalty waiver request from Hilcorp Energy Company.

Joe Irving, representative from Hilcorp Energy Company addressed the Board to request a penalty waiver. Mary Sanders, Audit Manager with DNR's Dallas field office responded to questions from the Board. Upon recommendation of the staff and upon motion of Mr. Lambert, seconded by Mr. Sanders, the committee voted unanimously that no penalty be waived. The amount owed the state remains \$162,773.37.

The second matter considered by the Committee was a request to grant Chesapeake Operating a third 90 day extension on their payment under protest.


Upon recommendation of the staff and upon motion of Mr. Lambert, seconded by Mr. Sanders, the committee voted unanimously to approve an extension on their payment under protest period from August 1, 2013 until the completion of the regular outstanding royalty audit.

The third matter considered by the Committee was the election of the September 2013 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.

Audit Committee Report
September 11, 2013
Page 2

On motion of Mr. Lambert, seconded by Mr. Sanders, the Board voted unanimously to adjourn the Audit Committee at 10:46 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. Lambert, seconded by Mr. Sanders, the following Resolution was offered and adopted:

WHEREAS, the State Mineral and Energy Board caused an audit to be performed of Hilcorp Energy Company payments of state royalty in the Bastian Bay, Bayou Bouillon, Bayou Carlin, Bayou Crook Chene, Bayou Segnette, Caillou Island, Crocodile Bayou, Deep Lake, Hackberry, West, Halter Island, Hog Bayou-Offshore, Lac Blanc, Lake Palourde, Lake Sand, Lake Washington, Le Blanc, Murphy Lake, Myette Point, South, Redfish Point, Sabine Lake, North, Tigre Lagoon, and White Lake, East fields; State Leases 42, 192, 212, 540, 1083, 1170, 1464, 1703, 1704, 1706, 1755, 1801, 1814, 2024, 2028, 2077, 2104, 2340, 2345, 2376, 2414, 2747, 2826, 3010, 3011, 3052, 3090, 3151, 3154, 3155, 3212, 3240, 3262, 3279, 3306, 3459, 3734, 4011, 4956, 5176, 5706, 7520, 7555, 10835, 11151, 11279, 11282, 12608, 12896, 12897, 13403, 14536, 14537, 15621, 15736, 16473, 16475, 17447, 17643, 17751, 18139, 0192A, 2651A, 2652A, 3010A, 3011A, A0048, B9956 which audit revealed that Hilcorp Energy Company owed the state \$582,022.49 in underpayment of royalty and \$320,112.79 in interest and penalty for a total of \$902,135.28; and

WHEREAS, Hilcorp Energy Company has remitted payment of \$739,361.91 for the outstanding principal and interest; and

WHEREAS, Hilcorp Energy Company has made a letter application for reduction of penalties assessed in the amount of \$162,773.37 due to incorrect royalty payments; and

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

WHEREAS, the Mineral Income Division staff recommends that a zero percent (0%) of the penalty be waived; and

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

THEREFORE, BE IT RESOLVED that the Board does waive zero percent (0%) of the total penalty assessed to Hilcorp Energy Company.

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 11th day of September 2013, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

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

WHEREAS, the State Mineral and Energy Board caused an audit to be performed on Chesapeake Operating Co. payments of state royalty in Caspiana, and Red River-Bull Bayou Field; State Leases 17947, 18393, 18395, 19351, 19695, 19830 and 19835 and

WHEREAS, Chesapeake Operating Co. paid \$84,187.66 royalty under protest and

WHEREAS, by the State Mineral and Energy Board Resolution passed August 8, 2012 any audits currently paid under protest and unresolved no later than January 31, 2013 will be considered unpaid and all funds previously received will be returned to auditee; and

WHEREAS, Chesapeake Operating Co. was granted two ninety day extensions from January 31, 2013 and from May 1, 2013 at the February 13, 2013 and May 8, 2013 State Mineral and Energy Board meetings; and

WHEREAS, a request to grant Chesapeake Operating Co. an extension from August 1st until resolution of the current regular audit was requested and

WHEREAS, A revision was issued on April 16, 2013, a meeting held on June 28th with the staff, the Attorney General's Office, and Chesapeake Operating Co. and

WHEREAS, the staff has engaged in a regular scheduled audit with Chesapeake Operating Co. for which the same issues has risen and continues to work with them;

WHEREAS, the staff of the Office of Mineral Resources has been unable to resolve and settle the outstanding audit issues.

WHEREAS, The State Mineral and Energy Board after reviewing all information agreed to an extension from August 1st until resolution of the current regular audit was requested.

THEREFORE, BE IT RESOLVED, that the Board does approve an extension from August 1st until resolution of the current regular audit was requested.

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 11th day of September, 2013, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD



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

LEGAL AND TITLE CONTROVERSY COMMITTEE REPORT

The regular meeting of the Legal and Title Controversy Committee of the State Mineral and Energy Board was held on September 11, 2013, following the Audit Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Secretary Stephen Chustz
Mr. Emile B. Cordaro
Mr. Louis J. Lambert
Mr. Thomas L. Arnold, Jr.

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

The Legal and Title Controversy Committee was called to order by Mr. Sanders at 10:46 a.m.

The first matter considered by the Committee was a request for final approval of an Operating Agreement between 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, covering a portion of former State Lease Nos. 20826 and 20828, said operating tract containing 586.00 acres, more or less, Iberia Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 13-30.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Operating Agreement between the State Mineral and Energy Board and Louisiana Onshore Properties, LLC, on the docket as Item No. 13-30. 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 Mineral and Energy Board and S2 Energy 1, LP, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 21% before payout, increasing to 23% after payout, in and to the operating tract, covering a portion of former State Lease No. 14795, said operating tract containing 240.00 acres, more or less, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 13-27.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Lambert, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of an Operating Agreement by and between the State Mineral and Energy Board and S2 Energy 1, LP, on the docket as Item No. 13-27. No comments were made by the public.

The third matter considered by the Committee was a request for final approval of an Operating Agreement by and between the State Mineral and Energy Board and Linder Oil Company, 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 25% before payout, increasing to 25.5% after payout, in and to the operating tract, covering a portion of former State Lease No. 17916, said operating tract containing 10.17 acres, more or less, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 13-28.

Upon recommendation of the staff and upon motion of Mr. Lambert, seconded by Mr. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of an Operating Agreement by and between the State Mineral and Energy Board and Linder Oil Company, on the docket as Item No. 13-28. No comments were made by the public.

The fourth matter considered by the Committee was a request for final approval of a Lease Extension and Amendment by and between the State Mineral and Energy Board and ETROA Resources, LLC, whereas said parties desire to amend Paragraph 2 of the Subject Lease amending the primary term from 3 years to 3 years 6 months, with an option by Lessee to extend an addition 6 months and the royalty percentage in Paragraph 6 is increased from 21.5% to 22.0%. Said parties also desire to amend the prior shut-in clause in Section 6(d), affecting State Lease Number 20483, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 13-29.

Upon recommendation of the staff and upon motion of Mr. Lambert, seconded by Mr. Chustz, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Lease Extension and Amendment by and between the State Mineral and Energy Board and ETROA Resources, LLC, on the docket as Item No. 13-29. No comments were made by the public.

The fifth matter considered by the Committee was a request by Chesapeake Operating, Inc. to extend the September 11, 2013 deadline to November 13, 2013, to confect and place on the Docket for approval, an operating agreement covering former State Lease Number 20543.

Upon motion of Mr. Arnold, seconded by Mr. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant Chesapeake Operating, Inc. an extension to November 13, 2013, to confect and place on the Docket for approval, an operating agreement covering former State Lease Number 20543. No comments were made by the public.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, the Committee voted unanimously to go into Executive Session at 10:57 A.M.

Upon motion of Mr. Lambert, seconded by Mr. Arnold, the Committee voted unanimously to return to Open Session at 11:13 A.M.

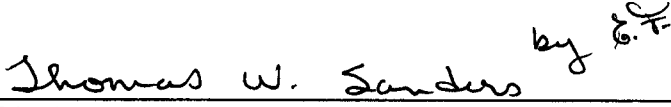
Upon motion of Mr. Cordaro, seconded by Mr. Segura, the Legal & Title Controversy Committee meeting was recessed to begin the State Mineral and Energy Board Meeting at 11:14 A.M.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Legal & Title Controversy Committee meeting was resumed at 11:15 A.M.

The sixth matter considered by the Committee was a discussion in executive session of the suit entitled: CXY Energy, Inc., et al vs. Plaquemines Parish Government, et al, Docket No. 35-827, 25th Judicial District Court, Plaquemines Parish.

This matter was a discussion, and no action was taken.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, the Legal and Title Controversy Committee meeting adjourned at 11:16 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. Smith, the following resolution was offered and unanimously adopted:

WHEREAS, a request was made for final approval of an Operating Agreement between 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, covering a portion of former State Lease Nos. 20826 and 20828, said operating tract containing 586.00 acres, more or less, Iberia Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 13-30;

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 between the State Mineral and Energy Board and Louisiana Onshore Properties, LLC, on the docket as Item No. 13-30.

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 11th day of September, 2013, 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. Lambert, the following resolution was offered and unanimously adopted:

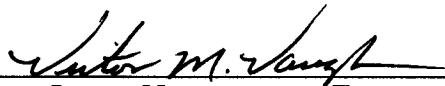
WHEREAS, a request was made for final approval of an Operating Agreement by and between the State Mineral and Energy Board and S2 Energy 1, LP, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 21% before payout, increasing to 23% after payout, in and to the operating tract, covering a portion of former State Lease No. 14795, said operating tract containing 240.00 acres, more or less, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 13-27;

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 an Operating Agreement by and between the State Mineral and Energy Board and S2 Energy 1, LP, on the docket as Item No. 13-27.

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 11th day of September, 2013, 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. Lambert, seconded by Mr. Smith, the following resolution was offered and unanimously adopted:

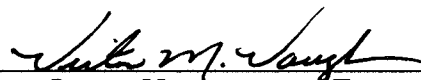
WHEREAS, a request was made for final approval of an Operating Agreement by and between the State Mineral and Energy Board and Linder Oil Company, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 25% before payout, increasing to 25.5% after payout, in and to the operating tract, covering a portion of former State Lease No. 17916, said operating tract containing 10.17 acres, more or less, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 13-28;

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 an Operating Agreement by and between the State Mineral and Energy Board and Linder Oil Company, on the docket as Item No. 13-28.

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 11th day of September, 2013, 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. Lambert, seconded by Mr. Chustz, the following resolution was offered and unanimously adopted:

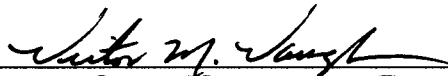
WHEREAS, a request was made for final approval of a Lease Extension and Amendment by and between the State Mineral and Energy Board and ETROA Resources, LLC, whereas said parties desire to amend Paragraph 2 of the Subject Lease amending the primary term from 3 years to 3 years 6 months, with an option by Lessee to extend an addition 6 months and the royalty percentage in Paragraph 6 is increased from 21.5% to 22.0%. Said parties also desire to amend the prior shut-in clause in Section 6(d), affecting State Lease Number 20483, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 13-29;

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 Extension and Amendment by and between the State Mineral and Energy Board and ETROA Resources, LLC, on the docket as Item No. 13-29.

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 11th day of September, 2013, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

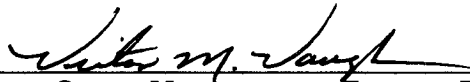
WHEREAS, a request was made by Chesapeake Operating, Inc. to extend the September 11, 2013 deadline to November 13, 2013, to confect and place on the Docket for approval, an operating agreement covering former State Lease Number 20543;

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 Chesapeake Operating, Inc. an extension to November 13, 2013, to confect and place on the Docket for approval, an operating agreement covering former State Lease Number 20543.

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 11th day of September, 2013, 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 11:16 a.m. on Wednesday, September 11, 2013. Board Members present were Mr. Stephen Chustz, DNR Secretary, Mr. W. Paul Segura, Jr., Mr. Thomas L. Arnold, Jr., Mr. Emile Cordaro, Mr. Thomas W. Sanders, Mr. Darryl D. Smith, Mr. Louis J. Lambert, and 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 Leases A, B and C on pages 1 and 2;

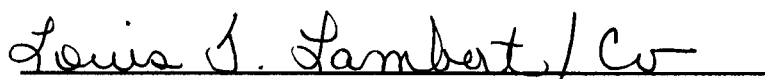
Approve all Assignments on pages 3 through 11; Docket Nos. 12, 14 and on page 7 and 8 would be approved subject to the approval of the Governor of Louisiana;

Approve the following items upon recommendation of the Legal and Title Controversy Committee: Docket Item Nos. 13-27, 13-28, 13-29 and 13-30 on pages 12 and 13.

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

There being no further business to come before the committee, upon motion of Mr. Chustz, and seconded by Mr. Sanders, the committee voted unanimously to adjourn the meeting at 11:18 a.m.

Respectfully submitted,


Louis J. Lambert
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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the September 11, 2013, Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Plaquemines Parish Government, dated July 11, 2013, awarded to Oil Land Services, Inc., covering lands located in Section 18, Township 20 South, Range 28 East, Plaquemines Parish, Louisiana, containing 40 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 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item B from the September 11, 2013, Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Plaquemines Parish Government, dated July 11, 2013, awarded to Oil Land Services, Inc., covering lands located in Sections 13 and 18, Township 20 South, Range 28 East, Buras Levee District, Plaquemines Parish, Louisiana, with further contractual obligation 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 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item C from the September 11, 2013, Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Lafourche Parish School Board, dated June 5, 2013, awarded to ORX Exploration, Inc., covering lands located in Section 72, Township 17 South, Range 19 East, Lafourche Parish, Louisiana, containing 5.12 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 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from Theophilus Oil, Gas & Land Services, LLC. to McMoRan Oil & Gas LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 20924, 20925, 20926, 20927, 20928, 20929, 20930, 20931, 20932, 20960, 20976, 21078 and 21079, Assumption, Iberia and St. Martin Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from ProLand, LLC to Lake Ronel Oil Company, all of Assignor's right, title and interest in and to State Lease No 21181, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

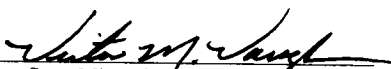
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted.

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from ProLand, LLC to Lake Ronel Oil Company, of all of Assignor's right, title and interest in and to State Lease No. 21180, Calcasieu Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 4 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from Gary Alhadeff, DDS, husband of and Leesa Ratliff Alhadeff, BKRR Investments, Ltd., Rene Davis Davenport, legally separated from Alan Davenport, Duplantis Resources, LLC, Jay Fountain, husband of and Kathy Krueger Fountain, Ronju Energy, Inc., Robert L. Lankford, husband of and Mary Beth Bauer Lankford, Nemesis Partners, Inc., Royal Wolf III, L.P., TOCS Mineral Properties, LLC and John Wright, husband of and Sheila Wright to Ironstone Energy, LLC, of all of Assignor's working interest in and to State Lease Nos 19202, 19203, 19204, 19205, 19206 and 19232, Lafourche and St. Charles Parishes, Louisiana, with further particulars being stipulated in the instrument.

Ironstone 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,

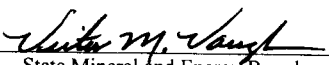
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from Stone Energy Offshore, LLC, of all of Assignor's interest to the following in the proportions set out below:

Goodrich Leasehold, LLC	4.6875% of 8/8ths
Goodrich Management Company, Inc.	3.1250% of 8/8ths
KB Energy, LLC	4.6875% of 8/8ths

in and to State Lease No. 20428, Iberia Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** State Lease No. 20428 covers lands lying within the geographic boundaries of the S RF SUA Unit, 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 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 6 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from HEP Energy, Inc to Anadarko E&P Onshore LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 21193, 21194, 21195, 21196, 21197, 21198, 21199 and 21200, Caddo Parish, Louisiana, with further particulars being stipulated in the instrument.

Anadarko E&P Onshore 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 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 7 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from Westgrove Energy Holdings, LLC, of all of Assignor's right, title and interest to the following in the proportions set out below:

Discover E&P LLC	25 00%
RHS Enterprises, LLC	25 00%
LLOG Exploration Company, L.L.C	25 00%
LLTX, L.L.C.	25.00%

in and to State Lease No. 20805, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 8 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from Cypress Energy Corporation to Houston Energy, L.P., of all of Assignor's right, title and interest in and to State Lease No. 21206 and 21207, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

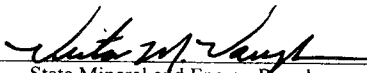
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 9 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from Oil Land Services, Inc. to Hilcorp Energy Company, of all of Assignor's right, title and interest in and to State Lease Nos. 21082, 21083 and 21084, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

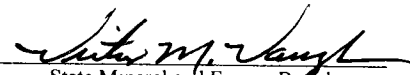
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from The Bass Partnership to Westgrove Energy Holdings, LLC, of all of Assignor's right, title and interest in and to State Lease No. 1212, Plaquemines Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is situated within the confines of that certain unit created by Flare Resources Inc., being the UL-1 – UL-4 Zone, Reservoir A, containing approximately 150 acres and being situated in Sections 35 and 36, Township 16 South, Range 14 East, **limited to** only include from the surface down to a depth equal to the stratigraphic marker seen at 11,390' in the Campbell energy Corporation Morgan City Land & Fur #1 Well, with further particulars being stipulated in the instrument.

Westgrove Energy Holdings, 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;

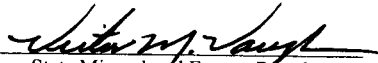
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11 from the September 11, 2013 Meeting be approved, said instrument being a Change of Name whereby WSF, Inc. is changing its name to BHP Billiton Petroleum (WSF Operating), Inc., affecting State Lease No. 5849, Bossier and Caddo Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

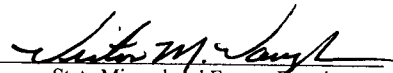
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12 from the September 11, 2013 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being a Change of Name whereby KCS Resources, LLC is changing its name to BHP Billiton Petroleum (KCS Resources), LLC, affecting State Lease Nos 249, 3435, 5849, 10415, 13190, 15057, 16397, 16503, 16833, 17216, 17217, 18635, 18641, 18741, 18768, 19306, 19483 and Operating Agreement "A0297", Bienville, Bossier, Caddo, DeSoto, Jefferson, Red River, St. Martin and Webster Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

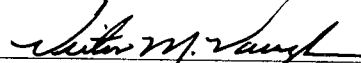
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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


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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

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

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 13 from the September 11, 2013 Meeting be approved, said instrument being a Change of Name whereby Petrohawk Properties, LP is changing its name to BHP Billiton Petroleum Properties (N.A.), LP, affecting State Lease Nos. 542, 543, 16717, 17946, 18372, 18503, 18863, 19121, 19349, 19542, 19756, 19757, 19758, 19759, 19761, 19762, 19763, 19764, 19766, 19782, 19786, 19788, 19790, 19792, 19794, 19830, 19832, 19887, 19999, 20030, 20040, 20075, 20079, 20080, 20114, 20287, 20702, 20821, 20845, 20881, 20949 and Operating Agreement "A0158", Bienville, Bossier, Caddo, DeSoto, Iberville, Natchitoches, Red River and Webster Parishes, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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


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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 14 from the September 11, 2013 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being an Amendment and Restatement of Stipulations of Title and Cross Assignment by and between Evelyn Gay Lawton Duhon, John Michael Duhon, Linda Lew Lawton Drost, Charles Mitchell Drost, William Thomas Drost, Desire Drost Brame, Mary Margaret Duhon Harper, Katherine Elizabeth Duhon Smith, Evelyn Michelle Duhon Truax, D,S&T-SL, L.L.C., D,S&T- NSL, L.L.C., Drost & Brame- SL, L.L.C. and Drost & Brame – NSL, L.L.C., whereas said parties desire to amend and restate the Stipulation of Title and Cross Assignment portion of the instrument only, by deleting in its entirety, all the provision os the Stipulation of Title and Cross Assignments on pages 14 through 18 and replace with the attached provisions, affecting State Lease Nos 334, 335, 340 and 341, Cameron, Iberia, Plaquemines, St. Bernard, St. Mary, Terrebonne and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

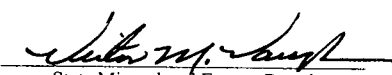
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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


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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

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

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 15 from the September 11, 2013 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being a Stipulation of Ownership and Cross Assignment by and between Evelyn Gay Lawton Duhon, Linda Lew Lawton Drost, William Thomas Drost, Desiree Drost Brame, Mary Margaret Duhon Harper, Katherine Elizabeth Duhon Smith, Evalyn Michelle Duhon Truax, D, S & T-SL, L L C, Drost & Brame- SL, L.L.C , EGL Class Trust, LLL Class Trust, EGL Family Trust, LLL Family Trust, Succession of William Burton Lawton and William Burton Lawton Grandchildren's Testamentary Trust, whereas said parties declare the interest that were owned by William Burton Lawton, Evelyn Gay Lawton Duhon, Linda Lew Lawton Drost, the EGL Family Trust, the LLL Family Trust, the EGL Class Trust, the LLL Class Trust, D, S & T- SL, LLC and Drost & Brame- SL, L.L.C , affecting State Lease Nos 334, 335, 340 and 341, are presently owned by the following in the proportions set out below:

	State Lease Nos. 334, 340 and 341	State Lease No. 335
D, S & T - SL, L.L.C.	4451/1920000 of 8/8ths	2827/1920000 of 8/8ths
Drost & Brame- SL, L.L.C.	3249/1920000 of 8/8ths	2623/1920000 of 8/8ths
Linda Dew Lawton Drost	350/1920000 of 8/8ths	1225/1920000 of 8/8ths
Evelyn Gay Lawton Duhon	350/1920000 of 8/8ths	1225/1920000 of 8/8 th

in and to State Lease Nos 334, 335, 340 and 341, Cameron, Iberia, Plaquemines, St. Bernard, St. Mary, Terrebonne and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

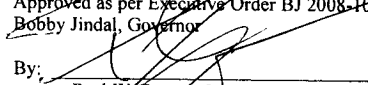
BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

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

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 16 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from Chesapeake Louisiana, L.P. to Jamestown Resources, L.L.C., an undivided 2.5% working interest in and to State Lease No. 19929, Caddo and DeSoto Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is located within the boundaries of the HA RA SU 93, with further particulars being stipulated in the instrument.

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

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

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

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

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

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


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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from Chesapeake Louisiana, L.P. to Larchmont Resources, L.L.C., an undivided 2.5% working interest in and to State Lease No 19929, Caddo and DeSoto Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is located within the boundaries of the HA RA SU 99, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 18 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from Chesapeake Louisiana, L.P. to Larchmont Resources, L.L.C., an undivided 2.5% working interest in and to State Lease No. 19929, Caddo and DeSoto Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is located within the boundaries of the HA RA SU 94, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

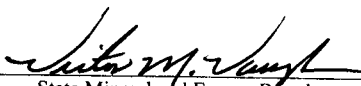
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19 from the September 11, 2013 Meeting be approved, said instrument being an Assignment from Main Pass Investors LLC and MP35 Investments, LLC, of an undivided 15.625% right, title and interest to the following in the proportions set out below:

AC Exploration, LLC	0.03297805%
Hamilton Exploration Group, Inc	0.00471115%
Hew-Tex Oil & Gas Corporation	0.06355575%
Marks Explorer LLC	0.01888938%
RM Energy, Inc.	0.00471115%
Tauber Exploration & Production Co.	0.03140453%

and A Stipulation of Interest whereby said parties stipulate that said lease is owned as follows:

AC Exploration, LLC	0.08541805%
Hamilton Exploration Group, Inc.	0.01221115%
Hew-Tex Oil & Gas Corporation	0.07750000%
Marks Explorer LLC	0.13619512%
RM Energy, Inc.	0.01221115%
Tauber Exploration & Production Co.	0.08139953%

in and to State Lease No. 19489, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Marks Explorer 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;

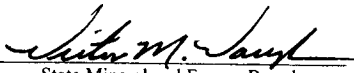
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 20 from the September 11, 2013 Meeting be approved, said instrument being a Change of Name whereby U.S. Emerald Energy Company, Inc. is changing its name to U.S. Emerald Energy Company, L.P., affecting State Lease No. 16918, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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


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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 2013, 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 13-27 from the September 11, 2013, Meeting be approved, said instrument being an Operating Agreement by and between the State Mineral and Energy Board and S2 Energy 1, LP, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 21% before payout, increasing to 23% after payout, in and to the operating tract, covering a portion of former State Lease No. 14795, said operating tract containing 240.00 acres, more or less, 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 11th day of September, 2013 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

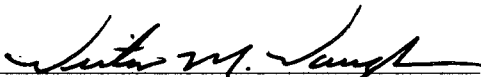
On motion of Mr. Sanders, seconded by Mr. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 13-28 from the September 11, 2013, Meeting be approved, said instrument being an Operating Agreement by and between the State Mineral and Energy Board and Linder Oil Company, A Partnership, 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 25% before payout, increasing to 25.5% after payout, in and to the operating tract, covering a portion of former State Lease No. 17916, said operating tract containing 10.17 acres, more or less, 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 11th day of September, 2013 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

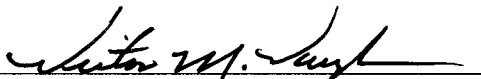
On motion of Mr. Sanders, seconded by Mr. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 13-29 from the September 11, 2013, Meeting be approved, said instrument being a Lease Extension and Amendment by and between the State Mineral and Energy Board and ETROA Resources, LLC, whereas said parties desire to amend Paragraph 2 of the Subject Lease amending the primary term from 3 years to 3 years 6 months, with an option by Lessee to extend an addition 6 months and the royalty percentage in Paragraph 6 is increased from 21.5% to 22.0%. Said parties also desire to amend the prior shut-in clause in Section 6(d), affecting State Lease No. 20483, 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 11th day of September, 2013 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. Smith, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 13-30 from the September 11, 2013, Meeting be approved, said instrument being an Operating Agreement by and between 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, covering a portion of former State Lease Nos. 20826 and 20828, said operating tract containing 586.00 acres, more or less, Iberia 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 11th day of September, 2013 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