

MINUTES

STATE MINERAL AND ENERGY BOARD

REGULAR MEETING AND LEASE SALE

AUGUST 12, 2015

STATE MINERAL AND ENERGY BOARD
REGULAR MEETING AND LEASE SALE MINUTES
AUGUST 12, 2015

A Regular Meeting and Lease Sale of the State Mineral and Energy Board was held on Wednesday, August 12, 2015, beginning at 11:08 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. Thomas L. Arnold, 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.

Thomas L. Arnold, Jr., Chairman
W. Paul Segura, Jr., Vice-Chairman
Stephen Chustz, DNR Secretary
Emile B. Cordaro
Thomas W. Sanders
Darryl D. Smith
Louis J. Lambert

The following members of the Board were recorded as absent:

Dan R. Brouillette
Theodore M. "Ted" Haik, Jr.
Chip Kline (Governor Jindal's designee to the Board)
Robert "Michael" Morton

Ms. Talley announced that seven (7) 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
Ryan Seidemann, Assistant Attorney General

The Chairman stated that the first order of business was the approval of the July 8, 2015 Minutes. A motion was made by Mr. Sanders to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Mr. Segura and unanimously adopted by the Board. (No public comment was made at this time.)

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

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

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

Upon motion of Mr. Sanders, seconded by Mr. Segura, and unanimously adopted by the Board, the Board recessed its regular meeting at 11:09 a.m. to go into executive session for technical briefing in order to consider matters before the Board which were confidential in nature.

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. Chustz, seconded by Mr. Smith, and unanimously adopted by the Board, the Board reconvened in open session at 11:15 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 and called on Mr. Victor Vaughn to present the staff's recommendations to the Board.

Mr. Victor Vaughn recommended that Staff recommends all bids be accepted on all tracts.

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

Upon motion of Mr. Segura, seconded by Mr. Sanders, the Board voted unanimously to accept the staff's recommendations for the following:

1. Award a lease on Tract 44324 to Antrim Exploration, L.L.C.
2. Award a lease on a portion of Tract 44325, said portion being 64.000 acres, more particularly described in said bid and outlined on accompanying plat, to Achilles Oil, LLC.
3. Award a lease on Tract 44326 to North Louisiana Exploration, L.L.C.

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4. Award a lease on Tract 44327 to North Louisiana Exploration, L.L.C.
5. Award a lease on Tract 44329 to North Louisiana Exploration, L.L.C.
6. Award a lease on Tract 44330 to Antrim Exploration, L.L.C.
7. Award a lease on Tract 44331 to Antrim Exploration, L.L.C.
8. Award a lease on Tract 44332 to Antrim Exploration, L.L.C.
9. Award a lease on Tract 44333 to Antrim Exploration, L.L.C.
10. Award a lease on Tract 44335 to North Louisiana Exploration, L.L.C.
11. Award a lease on Tract 44336 to North Louisiana Exploration, L.L.C.
12. Award a lease on Tract 44337 to Antrim Exploration, L.L.C.
13. Award a lease on Tract 44340 to North Louisiana Exploration, L.L.C.
14. Award a lease on Tract 44341 to North Louisiana Exploration, L.L.C.
15. Award a lease on Tract 44342 to Antrim Exploration, L.L.C.
16. Award a lease on Tract 44343 to North Louisiana Exploration, L.L.C.
17. Award a lease on Tract 44344 to Antrim Exploration, L.L.C.
18. Award a lease on Tract 44345 to JM Exploration Company, L.L.C.
19. Award a lease on Tract 44346 to Land Resources, Inc.
20. Award a lease on Tract 44347 to Antrim Exploration, L.L.C.
21. Award a lease on Tract 44348 to Antrim Exploration, L.L.C.

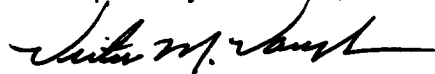
This concluded the awarding of the leases.

The following announcements were then made:

Ms. Talley stated that “the total for today’s Lease Sale is \$3,084,851.37, bringing the fiscal year total to just under \$3.1 million.”

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Segura, seconded by Mr. Sanders, the meeting was adjourned at 11:16 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 AUGUST 12, 2015
STATE MINERAL AND ENERGY BOARD
REGULAR MEETING AND LEASE SALE
MINUTES BY REFERENCE**

STATE MINERAL AND ENERGY BOARD
OPENING OF SEALED BIDS MINUTES
AUGUST 12, 2015

A public meeting for the purpose of opening sealed bids was held on Wednesday, August 12, 2015, beginning at 8:33 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, Attorney-DNR Office of the Secretary

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:

August 12, 2015

**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. 44324 through 44348, 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.

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.

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 Opening of Sealed Bids Minutes
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INLAND TRACTS

Tract 44324

Bidder	:	Antrim Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$35,076.96
Annual Rental	:	\$17,538.48
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

Tract 44325
 (Portion – 64.000 acres)

Bidder	:	Achilles Oil, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$4,800.00
Annual Rental	:	\$2,400.00
Royalties	:	20.000% on oil and gas
	:	20.000% on other minerals
Additional Consideration	:	None

STATE AGENCY TRACTS

Tract 44326

Bidder	:	North Louisiana Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$29,149.31
Annual Rental	:	\$14,574.66
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

Tract 44327

Bidder	:	North Louisiana Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$786,297.00
Annual Rental	:	\$393,148.50
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

Tract 44328

No Bids

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	Tract 44329	
Bidder	:	North Louisiana Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$373,322.10
Annual Rental	:	\$186,661.05
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

	Tract 44330	
Bidder	:	Antrim Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$74,887.47
Annual Rental	:	\$37,443.74
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

	Tract 44331	
Bidder	:	Antrim Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$43,613.57
Annual Rental	:	\$21,806.79
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

	Tract 44332	
Bidder	:	Antrim Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$249,364.29
Annual Rental	:	\$124,682.15
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

	Tract 44333	
Bidder	:	Antrim Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$34,313.19
Annual Rental	:	\$17,156.60
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

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No Bids Tract 44334

Tract 44335
 Bidder : North Louisiana Exploration, L.L.C.
 Primary Term : Three (3) years
 Cash Payment : \$571,783.46
 Annual Rental : \$285,891.73
 Royalties : 25.000% on oil and gas
 : 25.000% on other minerals
 Additional Consideration : None

Tract 44336
 Bidder : North Louisiana Exploration, L.L.C.
 Primary Term : Three (3) years
 Cash Payment : \$214,260.30
 Annual Rental : \$107,130.15
 Royalties : 25.000% on oil and gas
 : 25.000% on other minerals
 Additional Consideration : None

Tract 44337
 Bidder : Antrim Exploration, L.L.C.
 Primary Term : Three (3) years
 Cash Payment : \$3,242.07
 Annual Rental : \$1,621.04
 Royalties : 25.000% on oil and gas
 : 25.000% on other minerals
 Additional Consideration : None

No Bids Tract 44338

No Bids Tract 44339

Tract 44340
 Bidder : North Louisiana Exploration, L.L.C.
 Primary Term : Three (3) years
 Cash Payment : \$90,120.00
 Annual Rental : \$45,060.00
 Royalties : 25.000% on oil and gas
 : 25.000% on other minerals
 Additional Consideration : None

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	Tract 44341	
Bidder	:	North Louisiana Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$496,335.90
Annual Rental	:	\$248,167.95
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

	Tract 44342	
Bidder	:	Antrim Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$10,048.38
Annual Rental	:	\$5,024.19
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

	Tract 44343	
Bidder	:	North Louisiana Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$49,115.40
Annual Rental	:	\$24,557.70
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

	Tract 44344	
Bidder	:	Antrim Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$1,103.97
Annual Rental	:	\$551.99
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

	Tract 44345	
Bidder	:	JM Exploration Company, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$4,200.00
Annual Rental	:	\$2,100.00
Royalties	:	22.500% on oil and gas
	:	22.500% on other minerals
Additional Consideration	:	None

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 Opening of Sealed Bids Minutes
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	Tract 44346	
Bidder	:	Land Resources, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$300.00
Annual Rental	:	\$300.00
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

TAX ADJUDICATED TRACTS

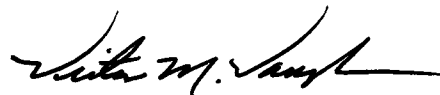
	Tract 44347	
Bidder	:	Antrim Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$4,506.00
Annual Rental	:	\$2,253.00
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

	Tract 44348	
Bidder	:	Antrim Exploration, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$9,012.00
Annual Rental	:	\$4,506.00
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

There being no further business, the meeting was concluded at 8:59 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, August 12, 2015 at 9:53 a.m. with the following members of the Board in attendance: Mr. Thomas L. Arnold, Jr., Mr. Stephen Chustz, Mr. Emile B. Cordaro, Mr. Louis J. Lambert, Mr. Thomas W. Sanders, Mr. W. Paul Segura, Jr. and Mr. Darryl D. Smith.

I. Geological and Engineering Staff Review

The staff of the Office of Mineral Resources reported to the Committee that according to the SONRIS database, there were 1,654 active State Leases containing approximately 700,000 acres. Since the last Lease Review Committee meeting, the Geological and Engineering Division reviewed 128 leases covering approximately 62,000 acres for lease maintenance and development issues.

II. Committee Review

1. A staff report on State Lease 17156, Vermilion Block 16 Field, Vermilion Parish. Harvest Oil and Gas, LLC is the lessee.

The staff reported that on February 11, 2015, the Board accepted Harvest's report, and granted Harvest until July 1st, 2015 to spud the obligatory well as required in the lease amendment adopted August 14th, 2013. The Board's Resolution #15-02-002 also noted that any failure to timely spud the well would result in Harvest having to execute a release all of the acreage outside of the mapped boundaries of the MA-3 reservoir currently producing in the State Lease 17156 Well No. 1. It was reported to the Committee that the well had not been spud and there were no permits issued by the Office of Conservation for a well on State Lease 17156. In addition, Mr. Ryan Seidemann, Assistant Attorney General, gave the Committee a brief update on the bankruptcy proceedings involving Harvest and State Lease 17156. Based on the foregoing, the staff recommended to the Committee that Harvest be granted until September 9th, 2015 to proceed with unitization for the State Lease 17156 Well No. 1 for the formation of either a Commissioner's unit or a voluntary unit, and further that Harvest release all of the acreage outside of the resulting unit within thirty (30) days of the unit's effective date.

III. Force Majeure Report

1. Pennington Oil & Gas Interests, LLC (Pennington) requested recognition of a force majeure due to Mississippi River flooding preventing access to the well's location.

The staff reviewed the request and reported to the Committee that the request for the recognition of a force majeure event in order to maintain the state lease is unnecessary. The staff informed Pennington to make a shut-in gas payment for State Lease 18804 by October 11, 2015 if the Mississippi River has not subsided at that time. No Board action required at this time.

- Encana Oil & Gas USA Inc. (Encana) requested recognition of a force majeure due to high water from the Red River preventing access to multiple well locations maintaining three Conservation units.

The staff reviewed the request and reported to the Committee that the request for the recognition of a force majeure event in order to maintain the state lease is unnecessary. The staff informed Encana to make shut-in gas payments for the unitized portions of State Leases 20014, 20015, 20403 and 20476 by September 13, 2015 if the Red River has not subsided at that time. No Board action required at this time.

- BHP Billiton Petroleum (TXLA Operating) Company (BHP) requested recognition of a force majeure due to the Red River flooding preventing access to three wells.

The staff reviewed the request and reported to the Committee that the request for the recognition of a force majeure event in order to maintain the state lease is unnecessary. The staff informed BHP to make shut-in gas payments by August 13, 2015 for the portion of State Lease 19349 located in the HA RA SUA and September 13, 2015 for portions of State Leases 11155 and 19349 located in the HA RA SUB and HA RA SUO, if the Red River has not subsided at that time. No Board action required at this time.

- Shoreline Energy requested after-the-fact recognition of force majeure due to flow-line permitting problems affecting Operating Agreement A0280 in Lake Raccourci Field, Lafourche Parish, LA.

The staff reported to the Committee that a force majeure event occurred during a period between January 29, 2013 and May 27, 2013 where there was a gap of greater than 90 days in production or downhole operations. Mr. Durelle Allen, representing Shoreline Energy, requested an opportunity to address the Committee. Mr. Allen reported that Operating Agreement A0280 is contained in the Tex L-5 RA SUA unit in Lake Raccourci Field and the unit was shut-in for a period of 118 days from January 29, 2013 through May 27, 2013 in order to replace a faulty flowline from the unit well. He further stated that the delay in restoring production was due to a delay in receiving a permit to replace the flowline from Corp of Engineers which was not received until May 6, 2013, and the following week Shoreline mobilized the operations to replace the flowline and the well was restored to production on May 27th, 2013. Based on the foregoing, the staff recommended to the Committee that the force majeure after-the-fact be recognized for the period from January 29, 2013 through May 27, 2013, and to request Shoreline to amend A0280 to provide for the ability to make shut-in payments should that be necessary in the future and to update the ownership records for A0280.


Force Majeure Report Summary - Updated June 30, 2015

Company Name	Lease Numbers
Leases Off Production Due to Non-Storm Related Force Majeure Events	
Energy Properties Inc.	725 (September, 2015)
Day Dreams Resources LLC	19930 (October, 2015)

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

On motion by Mr. Lambert, seconded by Mr. Cordaro, the Committee moved to adjourn the August 12, 2015 meeting at 10:05 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Darryl D. Smith | Rv". The signature is written in a cursive style.

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

Resolution #15-08-001 (LEASE REVIEW COMMITTEE)

WHEREAS, the Lease Review Committee last reviewed State Lease No. 17156, Vermilion Block 16 Field, on February 11, 2015, whereby the Board accepted Harvest's report, and granted Harvest until July 1st, 2015 to spud the obligatory well. Failure to timely spud the well would result in Harvest having to execute a release all of the acreage outside of the mapped boundaries of the MA-3 reservoir currently producing in the State Lease 17156 Well No. 1; and

WHEREAS, the staff reported to the Committee that the obligatory well as required in the lease amendment adopted August 14th, 2013 had not been drilled and there were no permits issued by the Office of Conservation for a new well on State Lease 17156; and

WHEREAS, the staff further reported that the release of the acreage outside of the productive limits for the MA-3 reservoir had not been received by the Office, as required under Resolution #15-02-002; and

WHEREAS, a report on the bankruptcy proceedings affecting State Lease 17156 was given by Mr. Ryan Seidemann, Assistant Attorney General, wherein he reported that a hearing is scheduled for September 1st, 2015 to hear the State's request for relief in the bankruptcy stay in order to conduct certain regulatory activities related to Harvest. Mr. Seidemann further advised the Committee that whatever action taken by the Board may have to wait until a ruling has been made by the bankruptcy court authorizing the Board to move forward; and

WHEREAS, the Staff of the Office of Mineral Resources recommended to the Committee that Harvest be granted until September 9th, 2015 to proceed with unitization for the State Lease 17156 Well No. 1 for the formation of either a Commissioner's unit or a voluntary unit, and further that Harvest release all of the acreage outside of the resulting unit within thirty (30) days of the unit's effective date; and

ON MOTION of Mr. Sanders, seconded by Mr. Segura, the following recommendation was offered and adopted by the Lease Review Committee after discussion and careful consideration:

That Harvest be granted until September 9th, 2015 to proceed with unitization for the State Lease 17156 Well No. 1 for the formation of either a Commissioner's unit or a voluntary unit, and that Harvest release all of the acreage outside of the resulting unit within thirty (30) days of the unit's effective date.

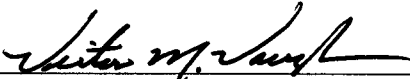
WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board of the foregoing recommendation of the Lease Review Committee; and

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE BE IT RESOLVED that the State Mineral and Energy does hereby grant Harvest until September 9th, 2015 to proceed with unitization for the State Lease 17156 Well No. 1 for the formation of either a Commissioner's unit or a voluntary unit, and that Harvest release all of the acreage outside of the resulting unit within thirty (30) days of the unit's effective date.

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 12th day of August, 2015, 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.



Victor M. Vaughn, Executive Officer
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-08-002 (LEASE REVIEW COMMITTEE)

WHEREAS, a report on the letter received from Shoreline Energy ("Shoreline") on Operating Agreement A0280 (simply A0280) was made by Charles Bradbury, Petroleum Engineer, to the Lease Review Committee concerning the recognition of a force majeure event which began January 29, 2013; and

WHEREAS, Mr. Bradbury reported to the Committee that the Shoreline operated unit maintaining A0280 had a cessation of production of greater than 90 days due to a problem permitting a flowline; and

WHEREAS, an appearance before the Committee was made by Mr. Durrelle Allen on behalf of Shoreline to report on the events that resulted in the request for recognition of a force majeure affecting A0280. Mr. Allen stated that A0280 is contained in the Tex L-5 RA SUA unit in Lake Raccourci Field and the unit was shut-in for a period of 118 days from January 29, 2013 through May 27, 2013 in order to replace a faulty flowline from the unit well. He further stated that the delay in restoring production was due to a delay in receiving a permit to replace the flowline from Corp of Engineers which was not received until May 6, 2013. The following week Shoreline mobilized the operations to replace the flowline and the well was restored to production on May 27th, 2013; and

WHEREAS, the Staff of the Office of Mineral Resources recommended to the Committee that the force majeure after-the-fact be recognized for the period from January 29, 2013 through May 27, 2013, and to request Shoreline to amend A0280 to provide for the ability to make shut-in payments should that be necessary in the future and to update the ownership records for A0280; and

On Motion of Mr. Sanders, seconded by Mr. Segura, the following recommendation was offered and adopted by the Lease Review Committee after discussion and careful consideration:

That the State Mineral and Energy Board recognize the force majeure after-the-fact for the period from January 29, 2013 through May 27, 2013, and request Shoreline to amend A0280 to provide for the ability to make shut-in payments should that be necessary in the future and to update the ownership records for A0280.

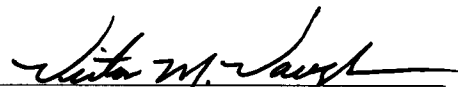
WHEREAS, after discussion and careful consideration State Mineral and Energy Board of the foregoing recommendation of the Lease Review Committee; and

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE BE IT RESOLVED that the State Mineral and Energy Board recognizes the force majeure after-the-fact for the period from January 29, 2013 through May 27, 2013, and request Shoreline to amend A0280 to provide for the ability to make shut-in payments should that be necessary in the future and to update the ownership records for A0280.

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 12th day of August, 2015, 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.



Victor M. Vaughn, Executive Officer
Louisiana State Mineral and Energy Board



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 **10:00 a.m.** on Wednesday, **August 12, 2015** with the following members of the Board in attendance:

Mr. Stephen Chustz Mr. Emile B. Cordaro Mr. Darryl D. Smith
Mr. Thomas Sanders Mr. Thomas L. Arnold, Jr. Mr. Mr. Paul Segura, Jr.

Mr. Louis J. Lambert

The Committee heard the report of Mr. Emile Fontenot, relative to nominations received for the October 14, 2015 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Sanders**, duly seconded by **Mr. Arnold**, the Committee voted unanimously to recommend to the Board the granting of authority to the staff to advertise all such tracts as have been reviewed by the State Land Office and the staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report presented by Mr. Fontenot.

A request by Staff to rescind the Resolution dated August 6, 1964, which authorizes the Secretary, Assistant to the Secretary and the Administrative Assistant to sign nonexclusive geophysical permits on behalf of the Board, and to adopt a new policy to authorize the Chairman, Deputy Assistant Secretary or Executive Officer of the Board to sign such permits on behalf of the Board. On the motions of **Mr. Smith**, duly seconded by **Mr. Arnold**, the Committee voted unanimously to rescind the above Resolution and adopt the new policy.

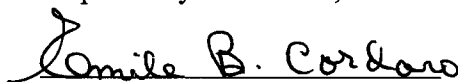
A request by Staff to rescind the Resolution dated July 19, 1956, that established the Board's policy pertaining to Letters of Protest in regards to the leasing of tracts, and to adopt a new policy in accordance with the terms and conditions set forth in the attached proposed Resolution. On the motions of **Mr. Chustz**, duly seconded by **Mr. Smith**, the Committee voted unanimously to rescind the above Resolution and adopt the new policy.

A request by Staff to rescind the Resolution dated April 8, 2009 that authorized the staff to promulgate rules for nomination and leasing in accordance with the Administrative Procedures Act and to adopt a new policy that accurately describes current nomination and leasing practices. On the motions of **Mr. Chustz**, duly seconded by **Mr. Smith**, the Committee voted unanimously to rescind the above Resolution and adopt the new policy.

A request by Staff to rescind the Resolution dated February 12, 1975 that established specific language to be included in lease sale advertising and to adopt a new policy that more accurately describes the board's position regarding acceptable bids. On the motions of **Mr. Sanders**, duly seconded by **Mr. Arnold**, the Committee voted unanimously to rescind the above Resolution and adopt the new policy.

The Committee, on the motion of **Mr. Chustz**, seconded by **Mr. Segura**, voted to adjourn at **10:07 a.m.**

Respectfully Submitted,

 by B.F.

Emile B. Cordaro

Chairman

Nomination and Tract Committee

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Nonexclusive
Geophysical Permits --
Signature Authority

RESOLUTION # 15-08-003 (NOMINATION AND TRACT COMMITTEE)

WHEREAS, pursuant to La. R.S. 30:12.A, the State Mineral and Energy Board (Board) has exclusive authority to grant exclusive and nonexclusive permits to conduct geophysical and geological surveys of any kind on state-owned lands, including water bottoms; and

WHEREAS, pursuant to La. R.S. 30:212.A, these permits are granted pursuant to rules promulgated under the provisions of the Administrative Procedure Act by the Department of Natural Resources; and

WHEREAS, pursuant to LAC 43:V.101, a nonexclusive geophysical permit is issued upon receipt of the full fee set by the Board and approval of the completed application by the Staff of the Office of Mineral Resources (OMR); and

WHEREAS, by Board Resolution dated August 6, 1964, the Board authorized the Secretary, Assistant to the Secretary and the Administrative Assistant to sign nonexclusive geophysical permits on behalf of the Board; and

WHEREAS, OMR Staff recommends that this Resolution be rescinded; and

WHEREAS, in order to efficiently process and issue nonexclusive geophysical permits in a timely manner, OMR Staff also recommends that the Board authorize the Chairman, Deputy Assistant Secretary or Executive Officer of the Board to sign such permits on behalf of the Board.

ON MOTION of **Mr. Smith**, seconded by **Mr. Arnold**, after discussion and careful consideration, the foregoing OMR Staff recommendations were offered and unanimously accepted by the Nomination and Tract Committee.

WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Nomination & Tract Committee;

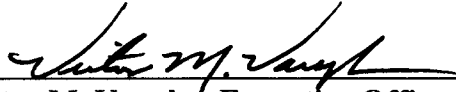
ON MOTION of **Mr. Segura**, seconded by **Mr. Sanders**, after discussion and careful consideration, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED:

- 1) That the Board hereby rescinds the August 6, 1964 Resolution which authorized certain individuals to sign nonexclusive geophysical permits in its behalf; and
- (2) That the Chairman, Deputy Assistant Secretary or Executive Officer of the Board are hereby authorized to sign nonexclusive geophysical permits on behalf of the Board.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Policy Resolution
Letters of Protest

RESOLUTION # 15-08-004
(NOMINATION AND TRACT COMMITTEE)

WHEREAS, pursuant to La. R.S. 30:124, the State Mineral and Energy Board (Board) is authorized to lease for the development and production of minerals any lands belonging to the State of Louisiana (State) or the title to which is in the public trust; and

WHEREAS, pursuant to La. R.S. 30:126, upon receipt of an application and the required nonrefundable fee, the Board may offer for lease all or part of the lands described in the application; and

WHEREAS, pursuant to La. R.S. 30:126, the Board is required to publish in the official journal of the State and in the official journal of the parish wherein the lands are located an advertisement which shall contain, among other things, a description of the lands proposed for lease; and

WHEREAS, such advertisements, on occasion, have caused land/mineral owners to challenge the State's interest in and right to lease the lands proposed for mineral development and production; and

WHEREAS, land/mineral owners who assert that their property or mineral rights are wrongfully being claimed by the State may submit to the Office of Mineral Resources (OMR) a letter (Letter of Protest) protesting the State's right to lease the advertised property for development and production of minerals; and

WHEREAS, by Resolution dated July 19, 1956, the Board implemented a policy which requires that all protests to challenge the leasing of property advertised by the State for the development and production of minerals be submitted to the Secretary of the Board at least seven (7) days prior to the monthly meeting of the Board; and

WHEREAS, OMR Staff asserts that this policy is too limited and not adequately detailed; therefore, the Staff recommends that this policy be rescinded and that the following be adopted as the Board's policy regarding Letters of Protest:

- A) Land/mineral owners seeking to challenge the State's ownership interest in or right to lease lands or water bottoms for the development and production of minerals shall file a written Letter of Protest no less than seven (7) calendar days prior to the date set for the opening of bids as stated in the advertisement. The Letter of Protest shall be addressed to:

Office of Mineral Resources
Attn: Petroleum Lands Director
Post Office Box 2827
Baton Rouge, Louisiana 70821-2827

- B) The Letter of Protest shall include:
- 1) The land/mineral owner's name, address and telephone number;
 - 2) The mineral lease sale date;
 - 3) The tract number in dispute;
 - 4) The parish(es) wherein the tract is situated;
 - 5) Whether the protest applies to the entirety or a portion of the tract;
 - 6) A detailed statement of the nature of the protest, including:
 - a) The factual basis upon which the land/mineral owner asserts title to the tract or mineral rights at issue;
 - b) The legal proceeding or act of conveyance by which the land/mineral owner asserts title to the tract or mineral rights at issue; and
 - c) The date or time period when such rights were acquired;
 - 7) All documents supportive of the adverse claim.

- C) For Letters of Protest timely received by OMR, Staff generally will have adequate time to evaluate the validity of the adverse claim and be able to recommend to the Nomination and Tract Committee:
- 1) That the Letter of Protest be disregarded as insupportable;
 - 2) That the tract be withdrawn and not considered for leasing due to a legitimate title dispute identified by the Letter of Protest; or
 - 3) That the tract be withdrawn and not considered for leasing to permit Staff time to further review the issues raised by the Letter of Protest.
- D) For Letters of Protest untimely received by OMR, Staff will meaningfully and with due diligence evaluate the merits of the adverse claim. In the absence of a facially valid protest, the tract will not be withdrawn from the nomination process unless the Staff requires (and so recommends) additional time to review the issues raised by the Letter of Protest.

ON MOTION of *Mr. Chustz*, seconded by *Mr. Smith*, after discussion and careful consideration, the foregoing OMR Staff recommendation was offered and unanimously accepted by the Nomination and Tract Committee.

WHEREAS, in response to the foregoing OMR Staff recommendation and action of the Nomination and Tract Committee;

ON MOTION of *Mr. Segura*, seconded by *Mr. Sanders*, after discussion and careful consideration, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED:

That the July 19, 1956 Resolution establishing the Board's policy regarding protests to the proposed leasing of state-owned lands and water bottoms for mineral development and production be rescinded; and

That the following policy be adopted for receiving and processing Letters of Protest to the proposed leasing of state-owned lands and water bottoms for mineral development and production:

- A) Land/mineral owners seeking to challenge the State's ownership interest in or right to lease lands or water bottoms for the development and production of minerals shall file a written Letter of Protest no less than seven (7) calendar days prior to the date set for the opening of bids as stated in the advertisement. The Letter of Protest shall be addressed to:

Office of Mineral Resources
Attn: Petroleum Lands Director
Post Office Box 2827
Baton Rouge, Louisiana 70821-2827


- B) The Letter of Protest shall include:

- 1) The land/mineral owner's name, address and telephone number;
- 2) The mineral lease sale date;
- 3) The tract number in dispute;
- 4) The parish(es) wherein the tract is situated;
- 5) Whether the protest applies to the entirety or a portion of the tract;
- 6) A detailed statement of the nature of the protest, including:
 - a) The factual basis upon which the land/mineral owner asserts title to the tract or mineral rights at issue;
 - b) The legal proceeding or act of conveyance by which the land/mineral owner asserts title to the tract or mineral rights at issue; and
 - c) The date or time period when such rights were acquired;
- 7) All documents supportive of the adverse claim.

- C) For Letters of Protest timely received by OMR, Staff generally will have adequate time to evaluate the validity of the adverse claim and be able to recommend to the Nomination and Tract Committee:
- 1) That the Letter of Protest be disregarded as insupportable;
 - 2) That the tract be withdrawn and not considered for leasing due to a legitimate title dispute identified by the Letter of Protest; or
 - 3) That the tract be withdrawn and not considered for leasing to permit Staff time to further review the issues raised by the Letter of Protest.
- D) For Letters of Protest untimely received by OMR, Staff will meaningfully and with due diligence evaluate the merits of the adverse claim. In the absence of a facially valid protest, the tract will not be withdrawn from the nomination process unless the Staff requires (and so recommends) additional time to review the issues raised by the Letter of Protest.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Policy Resolution –
Nomination and
Leasing Policies

RESOLUTION # 15-08-005 (NOMINATION AND TRACT COMMITTEE)

WHEREAS, pursuant to La. R.S. 30:124, the State Mineral and Energy Board (Board) is authorized to lease for the development and production of minerals, oil, gas or alternative energy sources lands belonging to the State or the title to which is in the public trust; and

WHEREAS, pursuant to La. R.S. 30:125, all proposals for such mineral leases shall be submitted by application in the form required by the Office of Mineral Resources (OMR); and

WHEREAS, pursuant to La. R.S. 30:126, upon receipt of an application and the nonrefundable fee required by statute, the Board may offer for lease all or part of the lands described in the application; and

WHEREAS, pursuant to R.S. 30:127, the Board has authority to lease state-owned lands upon whatever terms it considers proper and in the best interest of the State of Louisiana (State); and

WHEREAS, LAC 43:I.901 sets forth certain requirements for inclusion in an application for a mineral lease; and

WHEREAS, LAC 43:I.902.F sets forth certain requirements for processing and returning executed and recorded leases to OMR; and

WHEREAS, by Resolution dated April 8, 2009, the Board authorized certain amendments to both LAC 43:I.901 and LAC 43:I.902.F, the purpose of which was to provide notice to surface rights owners of leases awarded on tracts in which the State owns the mineral rights, but not the surface rights; and

WHEREAS, these amendment to LAC 43:I.901 and LAC 43:I.902.F were never promulgated; and

WHEREAS, OMR Staff recommends that the foregoing Resolution be rescinded; and

WHEREAS, OMR Staff additionally recommends that the Board adopt the following requirements for applications for mineral leases on state-owned lands:

An application for nomination must include:

- 1) A DVD or CD-ROM containing a .dxf format of the proposed nominated tract polygon;
- 2) An electronic and paper copy of the legal description of the same proposed nominated tract, which must exactly match the tract polygon exploded from the .dxf as to X,Y coordinates along the polygon outline based on the Lambert Coordinate System;
- 3) An electronic file and paper copy of the plat in PDF format;
- 4) A letter of application accurately and fully completed;
- 5) A non-refundable check in the amount of the nomination fee as set forth in La. R.S. 30:125;
- 6) For nominations on property in which the State owns only the mineral rights, but not the surface rights, the current surface owner's name(s) and address(es) obtained from the tax rolls of the parish(es) in which the property is located.

WHEREAS, OMR Staff additionally recommends that the Board adopt the following requirements for mineral leases awarded on state-owned lands:

Upon the award of a lease by the Board on state-owned lands, the following requirements must be satisfied:

- 1) The lease shall be prepared by OMR Staff and forwarded to the Lessee for execution;
- 2) Within twenty (20) days of receipt, the Lessee shall return a fully executed original lease to OMR (failure to do so may result in forfeiture of the lease);
- 3) The Lessee shall record the lease with the Clerk of Court in each parish in which the leased property is located;
- 4) The Lessee shall furnish to OMR a "Recording Page Certificate" from the Clerk(s) of Court certifying the proper recordation of the lease;

- 5) Within thirty (30) days of the lease being awarded, OMR Staff shall send written notice of the lease to each owner of the surface rights identified by the Lessee in the application; and
- 6) The State shall not be liable to provide notice other than to those surface owners so identified by the nominating party at the addresses provided.

WHEREAS, OMR Staff further recommends that the Board authorize OMR Staff to promulgate rules pertaining to these requirements in accordance with the Administrative Procedures Act.

ON MOTION of *Mr. Chustz*, seconded by *Mr. Smith*, after discussion and careful consideration, the foregoing OMR Staff recommendations were offered and unanimously accepted by the Nomination and Tract Committee.

WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Nomination and Tract Committee;

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

NOW THEREFORE, BE IT RESOLVED that the Resolution dated April 8, 2009 authorizing amendments to LAC 43:I.901 and LAC 43:I.902.F be and is hereby rescinded.

BE IT FURTHER RESOLVED, that the Board hereby adopts the following requirements and procedure as policy for processing nominations and awarded leases and authorizes OMR Staff to promulgate rules pertaining to these requirements in accordance with the Administrative Procedures Act.

An application for nomination must include:

- 1) A DVD or CD-ROM containing a .dxf format of the proposed nominated tract polygon;
- 2) An electronic and paper copy of the legal description of the same proposed nominated tract, which must exactly match the tract polygon exploded from the .dxf as to X,Y coordinates along the polygon outline based on the Lambert Coordinate System;
- 3) An electronic file and paper copy of the plat in PDF format;

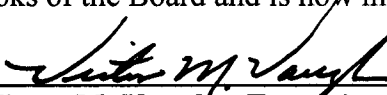
- 4) A letter of application accurately and fully completed;
- 5) A non-refundable check in the amount of the nomination fee as set forth in La. R.S. 30:125;
- 6) For nominations on property in which the State owns only the mineral rights, but not the surface rights, the current surface owner's name(s) and address(es) obtained from the tax rolls of the parish(es) in which the property is located.

Upon the award of a lease by the Board on state-owned lands, the following requirements must be satisfied:

- 1) The lease shall be prepared by OMR Staff and forwarded to the Lessee for execution;
- 2) Within 20 days of receipt, the Lessee shall return a fully executed original lease to OMR (failure to do so may result in forfeiture of the lease);
- 3) The Lessee shall record the lease with the Clerk of Court in each parish in which the leased property is located;
- 4) The Lessee shall furnish to OMR a "Recording Page Certificate" from the Clerk(s) of Court certifying the proper recordation of the lease;
- 5) Within 30 days of the lease being awarded, OMR Staff shall send written notice of the lease to each owner of the surface rights identified by the Lessee in the application; and
- 6) The State shall not be liable to provide notice other than to those surface owners so identified by the nominating party at the addresses provided.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Acceptable Bids
Board Policy

RESOLUTION # 15-08-006
(NOMINATION AND TRACT COMMITTEE)

WHEREAS, pursuant to La. R.S. 30:124, the State Mineral and Energy Board (Board) is authorized to lease lands owned by the State of Louisiana (State) or the title to which is in the public trust for the development and production of minerals; and

WHEREAS, pursuant to La. R.S. 30:126, the Board is required to advertise in the official journal of the State and in the official journal of the parish wherein the lands are located for bids for leases on such lands;

WHEREAS, pursuant to La. R.S. 30:127, the Board is authorized to accept the bid most advantageous to the State and may lease upon whatever terms it considers proper; and

WHEREAS, pursuant to La. R.S. 30:127, the Board may reject any and all bids or may lease a lesser quantity of property than advertised and withdraw the remainder; and

WHEREAS, LSA-R.S. 30:127 provides that royalties on oil and gas leases shall not be less than one-eighth; and

WHEREAS, by Resolution dated February 12, 1975, the Board deemed it appropriate and necessary to include specific language in the Notice of Publication advertising state-owned lands for leases; and

WHEREAS, OMR Staff recommends that this prior Resolution be rescinded and that the Board require that the following language be included in the monthly Notice of Publications:

All interested bidders are hereby notified that the State Mineral and Energy Board is not obligated to accept any bid, and that acceptance of a bid is at the sole discretion of the Board which reserves the right to reject any and all bids. Additionally, the Board, at its sole discretion, reserves the right to lease all or any portion of the tract advertised.

ON MOTION of **Mr. Sanders**, seconded by **Mr. Arnold**, after discussion and careful consideration, the foregoing OMR Staff recommendation was offered and unanimously accepted by the Nomination and Tract Committee.

WHEREAS, in response to the foregoing OMR Staff recommendation and action of the Nomination and Tract Committee;

ON MOTION of **Mr. Segura**, seconded by **Mr. Sanders**, after discussion and careful consideration, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED:

1. That the February 12, 1975 Resolution requiring that specific language be included in the Notice of Publication be and is hereby rescinded; and
2. That the following language be included in the monthly Notice of Publications:

All interested bidders are hereby notified that the State Mineral and Energy Board is not obligated to accept any bid, and that acceptance of a bid is at the sole discretion of the Board which reserves the right to reject any and all bids. Additionally, the Board, at its sole discretion, reserves the right to lease all or any portion of the tract advertised.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-08-007
(NOMINATION AND TRACT COMMITTEE)

Tracts to Be
Advertised

WHEREAS, Mr. Emile Fontenot reported that 40 tracts had been nominated for the October 14, 2015 Mineral Lease Sale, and requests that same are to be advertised pending staff review;

WHEREAS, the staff of the Office of Mineral Resources, upon further review and consideration, recommended that the foregoing request be approved by the Nomination and Tract Committee;

ON MOTION of *Mr. Sanders*, seconded by *Mr. Arnold*, the following recommendation was offered and unanimously adopted by the Nomination and Tract Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant final approval to advertise all such tracts for the October 14, 2015 Mineral Lease Sale;

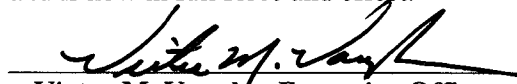
WHEREAS, after discussion and careful consideration of the foregoing request and recommendation by the Nomination and Tract Committee;

ON MOTION of *Mr. Segura*, seconded by *Mr. Sanders*, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW, BE IT THEREFORE RESOLVED, that the State Mineral and Energy Board does hereby approve and authorize the advertising of all such tracts 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 Committee Report.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 12th day of August 2015, 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.



Victor M. Vaughn, Executive Officer

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, August 12, 2015, immediately 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
Louis J. Lambert

Thomas W. Sanders
W. Paul Segura, Jr.
Darryl D. Smith

Mr. Darryl D. Smith convened the Committee at 10:08 a.m.

The first matter considered by the Committee was a penalty waiver request from JW Operating Company.

Staff recommended that no penalty be waived. Mr. Paul Provenza, representing JW Operating Company addressed the Board to request a 100% penalty waiver of \$6,543.71. Upon motion of Mr. Cordaro, seconded by Mr. Sanders, the Committee voted unanimously to approve the 100% penalty waiver of \$6,543.71.

Justification: Since the outstanding royalty involved a property with no survey plat depicting state acreage until 2012 and the error was found internally by JW Operating, a motion for a 100% reduction was made.

The second matter considered by the Committee was a penalty waiver request from MRC Energy Company.

Upon recommendation of the staff and upon motion of Mr. Cordaro, seconded by Mr. Sanders, the Committee voted unanimously to approve the 50% penalty waiver of \$7,668.96.

The third matter considered by the Committee was a request to include parties affiliated with Clovelly Oil Co., LLC on demand for outstanding audit issues.

Upon recommendation of the staff and upon motion of Mr. Cordaro, seconded by Mr. Lambert, the Committee voted unanimously to extend the demand request to include parties affiliated with Clovelly Oil Co., LLC.

The fourth matter considered by the Committee was a proposal to rescind the payment under protest Resolution dated August 8, 2012.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Lambert, the Committee voted unanimously to rescind the payment under protest Resolution.

The fifth matter considered by the Committee was a proposal to increase the fee authorized by La. R.S. 30:136 for recoument of costs associated with processing reimbursements of overpayments.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Sanders, the Committee voted unanimously to increase the fee from \$35 to \$65 per hour.

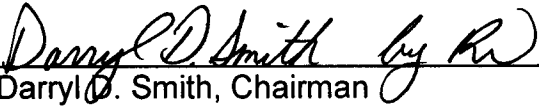
The sixth matter considered by the Committee was a proposal to rescind the Penalty Waiver Protocol Resolution dated September 8, 2010 and set new criteria.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Sanders, the Committee voted unanimously to rescind the Penalty Waiver Protocol Resolution and set the new criteria through two resolutions.

The seventh matter considered by the Committee was the election of the August 2015 gas royalty to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

On motion of Mr. Segura, seconded by Mr. Sanders, the Board voted unanimously to adjourn the Audit Committee at 10:30 a.m.


Darryl D. Smith, 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

**Resolution #15-08-008
(AUDIT COMMITTEE)**

WHEREAS, a request was made by JW Operating Company for the following:

- (a) A penalty waiver request in the amount of \$6,543.71 due to late royalty payment in Caspiana (2360); State Lease 13920.

WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration, recommended that the foregoing request not be approved by the Audit Committee;

ON MOTION of Mr. Cordaro, seconded by Mr. Sanders, the following recommendation was offered and unanimously adopted by the Audit Committee after discussion and careful consideration:

- (a) A 100% penalty waiver of \$6,543.71.

WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Audit Committee;

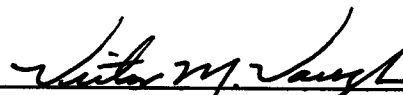
ON MOTION of Mr. Cordaro, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW, BE IT THEREFORE RESOLVED that the State Mineral and Energy Board does hereby grant the following:

- (a) A 100% penalty waiver of \$6,543.71.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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.



**Victor M. Vaughn, Executive Officer
Louisiana State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #15-08-009
(AUDIT COMMITTEE)**

WHEREAS, a request was made by MRC Energy Company for the following:

- (a) A penalty waiver request in the amount of \$15,337.93 due to late royalty payments in Caspiana (2360), Elm Grove (3608), and Thorn Lake (8918); State Leases 17947, 18605, 19765, 20445, and 20474.

WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration, recommended that the foregoing request be approved by the Audit Committee;

ON MOTION of Mr. Cordaro, seconded by Mr. Sanders, the following recommendation was offered and unanimously adopted by the Audit Committee after discussion and careful consideration:

- (a) In accordance with the Penalty Waiver Protocol, a 50% penalty waiver of \$7,668.96 with a balance of \$7,668.97 due to the state.

WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Audit Committee;

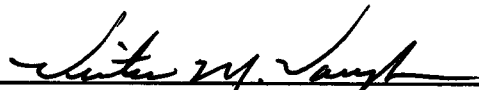
ON MOTION of Mr. Cordaro, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW, BE IT THEREFORE RESOLVED that the State Mineral and Energy Board does hereby grant the following:

- (a) In accordance with the Penalty Waiver Protocol, a 50% penalty waiver of \$7,668.96 with a balance of \$7,668.97 due to the state.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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.



**Victor M. Vaughn, Executive Officer
Louisiana State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-08-010 (AUDIT COMMITTEE)

WHEREAS, the State Mineral and Energy Board caused an audit to be performed of Clovelly Oil Co., LLC respecting the royalty payments under State Lease Nos. 02918, 04041, 04043, 05567, 05568, 05685 and 05779 in the West Lake Pontchartrain Block 41 field; and

WHEREAS, there are differences between Clovelly Oil Co., LLC and the Board regarding the amount of royalty due and interest and penalty charges due by Clovelly Oil Co., LLC; and

WHEREAS, the staff of the Office of Mineral Resources has been unable to resolve and settle the outstanding audit issues and interest and penalty billings with Clovelly Oil Co., LLC,

WHEREAS, Clovelly Oil Co., LLC was placed on demand for payment related to outstanding audit issues at the July 8, 2015 Board meeting,

WHEREAS, Staff has requested extending the demand to include those parties affiliated with Clovelly Oil Co., LLC as well as parties associated with the leases pertaining to the audit,

ON MOTION of Mr. Cordaro, seconded by Mr. Lambert, the following recommendation was offered and unanimously adopted by the Audit Committee after discussion and careful consideration:

James Caldwell, Attorney General of the State of Louisiana is hereby authorized to extend the formal demand upon Clovelly Oil Co., LLC to those parties affiliated with Clovelly Oil Co., LLC as well as parties associated with the leases pertaining to the audit and further is authorized to take all appropriate action, including the filing of suit on behalf of the Board against Clovelly Oil Co., LLC as well as parties associated with the leases pertaining to the audit for collection of all royalty due, along with interest, penalty, and all other remedies prescribed by law.

WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Audit Committee;

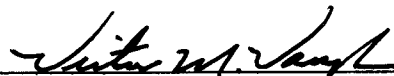
ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW, BE IT THEREFORE RESOLVED that the State Mineral and Energy Board does hereby grant the following:

James Caldwell, Attorney General of the State of Louisiana is hereby authorized to extend the formal demand upon Clovelly Oil Co., LLC to those parties affiliated with Clovelly Oil Co., LLC as well as parties associated with the leases pertaining to the audit and further is authorized to take all appropriate action, including the filing of suit on behalf of the Board against Clovelly Oil Co., LLC as well as parties associated with the leases pertaining to the audit for collection of all royalty due, along with interest, penalty, and all other remedies prescribed by law.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana on the 12th day of August, 2015, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
Louisiana State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #15-08-11 (AUDIT COMMITTEE)

WHEREAS, pursuant to LA. R. S. 30:136.A(1)(c) the lessee, operator, or other person directly involved in developing, producing, transporting, purchasing, or selling oil, gas other minerals must make available to the State Mineral and Energy Board (Board) for inspection and audit all records pertaining to the computation of royalties; and

WHEREAS, by Board Resolution dated August 8, 2012, the Office of Mineral Resources (OMR) permits auditees to pay audit exceptions under protest to avoid accrual of additional interest and penalties while working with OMR staff to resolve outstanding audit issues for a period not exceed six months from the date payment was made and notice was given in writing; and

WHEREAS, OMR staff has evaluated the effectiveness of accepting payments under protest as a means of facilitating the resolution of audit issues and determined that the majority of the payments made under protest have been returned to the payor at the end of the six month period; and

WHEREAS, OMR staff has determined that continuing to accept payments under protest is not in the best in the state and recommends that the foregoing Resolution be rescinded.

ON MOTION of Mr. Sanders, seconded by Mr. Lambert, after discussion and careful consideration, the foregoing OMR Staff recommendations were offered and unanimously accepted by the Audit Committee.


WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

NOW THEREFORE, BE IT RESOLVED, that the Board hereby rescinds and nullifies the Resolution of August 8, 2012; and

BE IT FURTHER RESOLVED, that payments made under protest for audit exception will no longer be accepted.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #15-08-012 (AUDIT COMMITTEE)

WHEREAS, pursuant to La. R.S. 30:124, the State Mineral and Energy Board (Board) is authorized to lease for the development and production of minerals lands belonging to the State of Louisiana (State) or the title to which is in the public trust; and

WHEREAS, pursuant to La. R.S. 30:136.A(1)(a), all bonuses, rentals, royalties, shut-in payments and other such sums payable to the State for mineral leases upon state-owned lands shall be paid to the Office of Mineral Resources (OMR); and

WHEREAS, pursuant to La. R.S. 30:136.A(1)(b), the Board is required to determine whether such payments are correct, sufficient and timely made; and

WHEREAS, La. R.S. 30:136.A(2) recognizes that overpayments and underpayments of royalties on state-owned lands will occur; and

WHEREAS, La. R.S. 30:135 requires that OMR provide the necessary staff functions to assist the Board in its leasing, supervisory and related activities; and

WHEREAS, pursuant to the foregoing statutory mandate, OMR Staff expends considerable time, effort and industry reviewing, researching and processing requests for reimbursement of overpayments of royalties; and

WHEREAS, pursuant to La. R.S. 30:136.A(2), the Board is authorized to promulgate rules in accordance with the Administrative Procedure Act to assess fees to recoup the costs incurred by OMR for processing such requests; and

WHEREAS, by Resolution dated December 12, 1990, pursuant to this statutory authority, the Board approved assessing to Payors a fee of Thirty-Five (\$35.00) Dollars per hour to recoup the costs incurred by OMR for processing such requests; and

WHEREAS, given the passage of time, OMR Staff has determined that this hourly rate is inadequate and insufficient to reimburse OMR for the comprehensive services rendered in processing such requests; and

WHEREAS, having thoroughly researched this matter, OMR Staff recommends that the Resolution dated December 12, 1990 be rescinded, and that a fee of Sixty-Five

Resolution #15-08-012
(Audit Committee)

(\$65.00) Dollars per hour be assessed to Payors to recoup the costs incurred by OMR for processing requests for reimbursement of overpayments of royalties.

ON MOTION of Mr. Segura, seconded by Mr. Sanders, after discussion and careful consideration, the foregoing OMR Staff recommendation was offered and unanimously accepted by the Audit Committee.

WHEREAS, in response to the foregoing OMR Staff recommendation and action of the Audit Committee;

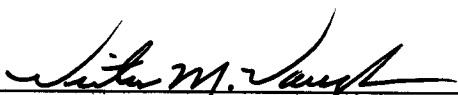
ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED:

- 1) That the Resolution dated December 12, 1990 be and is hereby rescinded;
- 2) That a recoupment fee of Sixty-Five (\$65.00) Dollars per hour for services rendered by OMR for processing requests for reimbursement of overpayments is fair, reasonable and appropriate;
- 3) That OMR Staff is directed to initiate the process necessary to adopt rules in accordance with the Administrative Procedure Act to assess a recoupment fee in this amount; and
- 4) That upon satisfaction of all requirements under the Administrative Procedure Act, OMR Staff is directed to commence assessing to Payors a fee of Sixty-Five (\$65.00) Dollars per hour to recoup the costs incurred by OMR for processing requests for reimbursement of overpayments of royalties.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the Board and is now in full force and effect.



Victor M. Vaughn, Executive Officer
State Mineral and Energy Board

Resolution #15-08-012
(Audit Committee)

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #15-08-013 (AUDIT COMMITTEE)

WHEREAS, pursuant to La. R.S. 30:136.A(1)(a), all bonuses, rentals, royalties, shut-in payments and other such sums payable to the State of Louisiana (State) for mineral leases upon state-owned lands shall be paid to the Office of Mineral Resources (OMR); and

WHEREAS, pursuant to La. R.S. 30:136.A(1)(b), OMR is required to maintain a log of all such payments to facilitate the State Mineral and Energy Board's (Board) ability to determine whether such payments are correct, sufficient and timely made; and

WHEREAS, pursuant to La. R.S. 30:136.B(3), the Board shall assess a penalty to a Payor of State royalty of two (2%) percent, up to a maximum of twenty-four (24%) percent, of the total sum then due, in addition to the penalty authorized by La. R.S. 30:136.B(2) for non-payment or underpayment of royalties; and

WHEREAS, pursuant to La. R.S. 30:136.B(2) and La. R.S. 30:136.B(3), the Board may waive the whole or any part of any such penalty assessed; and

WHEREAS, by Resolution adopted April 12, 1995, reaffirmed by Resolutions dated December 12, 2007, March 12, 2008 and September 8, 2010, the Board authorized the OMR Assistant Secretary (or designee) to evaluate and process penalty waiver requests on penalties assessed pursuant to La. R.S. 30:136.B(2) and La. R.S. 30:136.B(3) in amounts less than Ten Thousand (\$10,000.00) Dollars in accordance with the following protocol:

- 100% waiver – For cause
- 75% waiver – For royalty amounts outstanding up to three years
- 50% waiver – For royalty amounts outstanding in excess of three but less than six years
- 0% waiver – For royalty amounts outstanding in excess of six years

WHEREAS, by Resolution #15-04-008, dated April 8, 2015, the Board directed OMR Staff to reevaluate the current penalty waiver protocol for penalties assessed for non-payment or underpayment of royalties; and

Resolution #15-08-013
(Audit Committee)

WHEREAS, having reevaluated the nature, circumstances, amounts and volume of penalties assessed and related penalty waiver requests, OMR Staff recommends that the Board rescind the Resolutions dated April 12, 1995, December 12, 2007 and September 8, 2010, and that portion of the Resolution dated March 12, 2008 reaffirming the current penalty waiver protocol for penalties assessed in accordance with La. R.S. 30:136.B(2) and La. R.S. 30:136.B(3); and

WHEREAS, OMR Staff further recommends that the Board authorize the OMR Assistant Secretary and Deputy Assistant Secretary to evaluate and process penalty waiver requests for penalties assessed pursuant to these statutory provisions in amounts up to Twenty-Five Thousand (\$25,000.00) Dollars; and

WHEREAS, OMR Staff further recommends that the Board utilize the following penalty waiver protocol for penalties assessed pursuant to La. R.S. 30:136.B(3) for non-payment or underpayment of royalties:

- 100% waiver – For cause
- 75% waiver – For royalty amounts outstanding up to three years
- 50% waiver – For royalty amounts outstanding in excess of three but less than six years
- 0% waiver – For royalty amounts outstanding in excess of six years

WHEREAS, OMR Staff further recommends that the Board retain the authority to review challenges to the OMR Assistant Secretary's or Deputy Assistant Secretary's decisions on penalty waiver requests, but that the Board implement a requirement that Payor requests for review be received by OMR within thirty (30) calendar days of the decision on the penalty waiver request being rendered, and further requiring that the Payor (or representative) be present to explain the basis for the request for review to the Audit Committee at its monthly meeting.

ON MOTION of Mr. Segura, seconded by Mr. Sanders, after discussion and careful consideration, the foregoing OMR Staff recommendations were offered and unanimously accepted by the Audit Committee.

WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

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

**Resolution #15-08-013
(Audit Committee)**

NOW THEREFORE, BE IT RESOLVED:

- 1) That the Resolutions dated April 12, 1995, December 12, 2007 and September 8, 2010, and that portion of the Resolution dated March 12, 2008 reaffirming the penalty waiver protocol for penalties assessed pursuant to La. R.S. 30:136.B(2) and La. R.S. 30:136.B(3) be and are hereby rescinded;
- 2) That the OMR Assistant Secretary and Deputy Assistant Secretary be and are hereby authorized to evaluate and process penalty waiver requests for penalties assessed pursuant to La. R.S. 30:136.B(2) and La. R.S. 30:136.B(3) in amounts up to Twenty-Five Thousand (\$25,000.00) Dollars;
- 3) That the OMR Assistant Secretary or Deputy Assistant Secretary process penalty waiver requests for penalties assessed pursuant to La. R.S. 30:136.B(3) in accordance with the following protocol:
 - 100% waiver – For cause
 - 75% waiver – For royalty amounts outstanding up to three years
 - 50% waiver – For royalty amounts outstanding in excess of three but less than six years
 - 0% waiver – for royalty amounts outstanding in excess of six years

BE IT FURTHER RESOLVED that in determining the duration of time royalty payments are outstanding for purposes of processing penalty waiver requests, OMR Staff is required to use the earliest disposition date reported in a single report by product.

BE IT FURTHER RESOLVED that the foregoing penalty waiver protocol is effective and applicable to penalties for non-payment or underpayment of royalties pursuant to La. R.S. 30:136.B(3) assessed on or after October 1, 2015.


BE IT FURTHER RESOLVED that any decision by the OMR Assistant Secretary or Deputy Assistant Secretary on a penalty waiver request rendered in accordance with the authority granted hereby is subject to review by the Board on a case-by-case basis. Such review will occur only if:

- 1) A request for review, in writing, from the Payor is received by OMR within thirty (30) calendar days of the decision on the penalty waiver request being rendered; and

- 2) The Payor (or representative) is present to explain the basis for the request for review to the Audit Committee at its monthly meeting.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #15-08-014 (AUDIT COMMITTEE)

WHEREAS, pursuant to La. R.S. 30:136.A(1)(a), all bonuses, rentals, royalties, shut-in payments and other such sums payable to the State of Louisiana (State) for mineral leases upon state-owned lands shall be paid to the Office of Mineral Resources (OMR); and

WHEREAS, pursuant to La. R.S. 30:136.A(1)(b), OMR is required to maintain a log of all such payments to facilitate the State Mineral and Energy Board's (Board) ability to determine whether such payments are correct, sufficient and timely made; and

WHEREAS, pursuant to La. R.S. 30:136.B(2), the Board shall assess a penalty to a Payor of State royalty of ten (10%) percent of the total sum due, not to exceed One Thousand (\$1,000.00) Dollars, for non-payment or underpayment of royalties; and

WHEREAS, pursuant to La. R.S. 30:136.B(2), the Board may waive the whole or any part of any such penalty assessed; and

WHEREAS, by Resolution adopted April 12, 1995, reaffirmed by Resolutions dated December 12, 2007, March 12, 2008 and September 8, 2010, the Board authorized the OMR Assistant Secretary (or designee) to evaluate and process penalty waiver requests on penalties assessed in amounts less than Ten Thousand (\$10,000.00) Dollars in accordance with the following protocol:

- 100% waiver – For cause
- 75% waiver – For royalty amounts outstanding up to three years
- 50% waiver – For royalty amounts outstanding in excess of three but less than six years
- 0% waiver – For royalty amounts outstanding in excess of six years

WHEREAS, by Resolution #15-04-008, dated April 8, 2015, the Board directed OMR Staff to reevaluate the current penalty waiver protocol for penalties assessed for non-payment or underpayment of royalties; and

WHEREAS, based upon OMR Staff recommendations, by Resolution #15-08-014, dated August 12, 2015, the OMR Assistant Secretary and Deputy Assistant

Resolution #15-08-014
(Audit Committee)

Secretary were authorized to evaluate and process penalty waiver requests for penalties assessed pursuant to La. R.S. 30:136.B(2) and La. R.S. 30:136.B(3) in amounts up to Twenty-Five Thousand (\$25,000.00) Dollars; and

WHEREAS, since the maximum penalty assessable for non-payment or underpayment of royalties pursuant to La. R.S. 30:136.B(2) is One Thousand (\$1,000.00) Dollars, penalty waiver requests for such penalties necessarily will be processed by the OMR Assistant Secretary or Deputy Assistant Secretary; and

WHEREAS, having reevaluated the nature, circumstances, amounts and volume of penalties assessed and related penalty waiver requests, OMR Staff recommends that the Board rescind the Resolutions dated April 12, 1995, December 12, 2007 and September 8, 2010, and that portion of the Resolution dated March 12, 2008 reaffirming the current penalty waiver protocol for penalties assessed in accordance with La. R.S. 30:136.B(2); and

WHEREAS, OMR Staff further recommends that the Board adopt the following penalty waiver protocol for penalties assessed pursuant to La. R.S. 30:136.B(2) for non-payment or underpayment of royalties:

- 100% reduction – For 1st infraction
- 75% reduction – For 2nd infraction
- 50% reduction – For 3rd infraction
- 0% reduction – For more than three infractions

WHEREAS, OMR Staff further recommends that this penalty waiver protocol be effective and applicable to penalties assessed for non-payment or underpayment of royalties pursuant to La. R.S. 30:136.B(2) on or after October 1, 2015.

WHEREAS, OMR Staff further recommends that the Board retain the authority to review challenges to the OMR Assistant Secretary's or Deputy Assistant Secretary's decisions on penalty waiver requests, but that the Board implement a requirement that Payor requests for review be received by OMR within thirty (30) calendar days of the decision on the penalty waiver request being rendered, and further requiring that the Payor (or representative) be present to explain the basis for the request for review to the Audit Committee at its monthly meeting.

ON MOTION of Mr. Segura, seconded by Mr. Sanders, after discussion and careful consideration, the foregoing OMR Staff recommendations were offered and unanimously accepted by the Audit Committee.

WHEREAS, in response to the foregoing OMR Staff recommendations and action of the Audit Committee;

**Resolution #15-08-014
(Audit Committee)**

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

NOW THEREFORE, BE IT RESOLVED:

- 1) That the Resolutions dated April 12, 1995, December 12, 2007 and September 8, 2010, and that portion of the Resolution dated March 12, 2008 reaffirming the penalty waiver protocol for penalties assessed pursuant to La. R.S. 30:136.B(2) be and are hereby rescinded;
- 2) That the OMR Assistant Secretary and Deputy Assistant Secretary be and are hereby authorized to evaluate and process penalty waiver requests for penalties assessed pursuant to La. R.S. 30:136.B(2) in amounts up to Twenty-Five Thousand (\$25,000.00) Dollars;
- 3) That the OMR Assistant Secretary and Deputy Assistant Secretary process penalty waiver requests for penalties assessed pursuant to La. R.S. 30:136.B(2) in accordance with the following protocol:
 - 100% reduction – For 1st infraction
 - 75% reduction – For 2nd infraction
 - 50% reduction – For 3rd infraction
 - 0% reduction – For more than three infractions

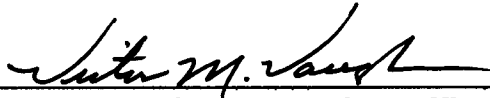
BE IT FURTHER RESOLVED that the foregoing penalty waiver protocol is effective and applicable to penalties for non-payment or underpayment of royalties pursuant to La. R.S. 30:136.B(2) assessed on or after October 1, 2015.

BE IT FURTHER RESOLVED that any decision by the OMR Assistant Secretary or Deputy Assistant Secretary on a penalty waiver request rendered in accordance with the authority granted hereby is subject to review by the Board on a case-by-case basis. Such review will occur only if:

- 1) A request for review, in writing, from the Payor is received by OMR within thirty (30) calendar days of the decision on the penalty waiver request being rendered; and
- 2) The Payor (or representative) is present to explain the basis for the request for review to the Audit Committee at its monthly meeting.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

**Resolution #15-08-014
(Audit Committee)**



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 August 12, 2015, 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. Darryl David Smith
Mr. Thomas L. Arnold, Jr.
Mr. Louis J. Lambert

Mr. Thomas W. Sanders
Mr. Emile B. Cordaro
Mr. W. Paul Segura, Jr.

The Legal and Title Controversy Committee was called to order by Mr. Sanders at 10:28 a.m.

The first matter considered by the Committee was a request for final approval of a Settlement Agreement by and between the State Mineral and Energy Board, Dupree Tractor Company, Inc. and Dupree Land Properties, LLC, settling a title dispute on production from the HA RB SU53/109-X-56; HA RB SU65/109-X-62; HA RA SUBB/909-H-16, and HA RA SUBB/909-H-16 sand units, whereby revenue from production is divided 82.5% Dupree and 17.5% State, affecting State Lease Nos. 18606, 18863, 19999, 20039 and Operating Agreement "A0242", Red River Parish, Louisiana, with further particulars being stipulated in the instrument, on the Docket as Item No. 15-23.

Upon motion of Mr. Arnold, seconded by Mr. Smith, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted final approval of the Settlement Agreement by and between the State Mineral and Energy Board, Dupree Tractor Company, Inc. and Dupree Land Properties, LLC, on the Docket as Item No. 15-23. No comments were made by the public.

The second matter considered by the Committee was a request for final approval of a Settlement Agreement by and between the State Mineral and Energy Board, John O'Connell, Inc., Lac Real Estate, L.L.C., Carma Holdings, L.L.C., The Mercedes Perez Mack Exempt Trust, Suzanne De La Vergne McIntosh, Joan Elizabeth Heather Huey, Arthur S. Huey, IV, Vintage Assets, Inc., John R. Perez, III, Susan Perez Magee, Anne Perez Inabnett and Renee E. Perez Sachs, settling a title dispute on production from Tract 2 in the Cib Carst Reservoir A, Coquille Bay Field, Plaquemine Parish, La., with Tract 2 settlement participation being State 68.00000%; John O'Connell, Inc., 7.00000%; Lac Real Estate, L.L.C., 3.50000%; Carma Holdings, L.L.C. 3.50000%; The

Mercedes Perez Mack Exempt Trust, 7.00000%; Suzanne De La Vergne McIntosh, 2.33333%; Joan Elizabeth Heather Huey, 1.55556%; Arthur S. Huey, IV, 0.77778%; Vintage Assets, Inc. 2.33333%; John R. Perez, III, 1.75000%; Susan Perez Magee, 1.75000%; Anne Perez Inabnett, 1.75000%; and Renee E. Perez Sachs, 1.75000%, of production, affecting State Lease Nos. 17236 and 18581, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the Docket as Item No. 15-24.

Upon motion of Mr. Arnold, seconded by Mr. Chustz, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted final approval of the Settlement Agreement by and between the State Mineral and Energy Board, John O'Connell, Inc., Lac Real Estate, L.L.C., Carma Holdings, L.L.C., The Mercedes Perez Mack Exempt Trust, Suzanne De La Vergne McIntosh, Joan Elizabeth Heather Huey, Arthur S. Huey, IV, Vintage Assets, Inc., John R. Perez, III, Susan Perez Magee, Anne Perez Inabnett and Renee E. Perez Sachs, on the Docket as Item No. 15-24. No comments were made by the public.

The third matter being considered by the Committee was a request by Shoreline Southeast LLC for authority to escrow royalty payments attributable to acreage which is adversely claimed between the State, Louisiana Land & Exploration Co., and Plaquemines Parish Government. Said acreage includes State Lease No. 21436, and is related to the N RF SUA, L DISC 12 RA SUA, and DISC 12 RE SUA units, Bastian Bay Field, Plaquemines Parish, Louisiana.

Upon motion of Mr. Arnold, seconded by Mr. Smith, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board approved the request of Shoreline Southeast LLC, in accordance with the terms and conditions set forth in the Resolution, to escrow royalty payments effective August 12th, 2015 and continuing through the February 2016 Board meeting (or the date of the next meeting of the Board thereafter, should it not meet that month) to allow for evaluation and resolution of the adverse claims. No comments were made by the public.

The fourth matter being considered by the Committee was a request by Allen Brothers to negotiate an Operating Agreement covering acreage contained in former State Lease No. 3170 in Caddo Parish, Louisiana and to remove said acreage from commerce during the negotiating period.

Upon motion of Mr. Chustz, seconded by Mr. Arnold, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board grant Staff the authority to negotiate an Operating Agreement with Allen Brothers covering acreage contained within former State Lease No. 3170 in Caddo Parish, Louisiana and that a Settlement Agreement regarding outstanding unreleased production revenue be confected in conjunction with the Operating Agreement, and that the acreage be removed from commerce and unavailable for leasing until December 9, 2015 or until such agreements

are conflicted and approved by the Board, whichever occurs first. No comments were made by the public.

The fifth matter being considered by the Committee was a request by the Attorney General's Office for a six (6) month extension of the authority previously granted to GCER Onshore, LLC, et al on June 10th, 2015 to escrow royalty payments related to title disputed acreage within State Lease No. 21092 situated within the 86 RA SUA Unit, Terrebonne Parish, Louisiana.

Upon motion of Mr. Arnold, seconded by Mr. Smith, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board approved the request of the Attorney General's Office, in accordance with the terms and conditions set forth in the Resolution, for an extension of the authority to escrow royalty payments effective August 4th, 2015 and continuing through the February 2016 Board meeting (or the date of the next meeting of the Board thereafter, should it not meet that month) to assist with ongoing discussions with the disputing landowner, ConocoPhillips, successor to LL&E. No comments were made by the public.

The sixth matter being considered by the Committee was a request by Hilcorp Energy Company for a six (6) month extension of the authority previously granted to the Lessees on June 10th, 2015 to escrow royalty payments related to title disputed acreage within State Lease Nos. 724, 21150, 21152 and 21157 situated within the CIB CARST RA SUA Unit, Four Isle Dome Field, Terrebonne Parish, Louisiana, as well as for expansion of the non-conflict acreage within that unit.

Upon motion of Mr. Arnold, seconded by Mr. Smith, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board approved the request of Hilcorp Energy Company, in accordance with the terms and conditions set forth in the Resolution, for an extension of the authority to escrow royalty payments effective August 12th, 2015 and continuing through the February 2016 Board meeting (or the date of the next meeting of the Board thereafter, should it not meet that month) to provide additional time to finalize the required settlement documents.

Upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to go into Executive Session at 10:37 a.m.

Upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to return to Open Session at 10:46 a.m.

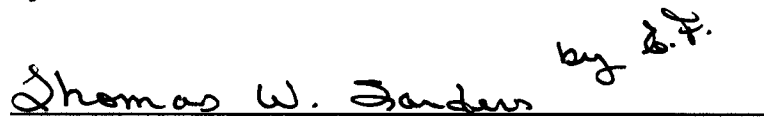
The seventh matter being considered by the Committee was a discussion in Executive Session of the suit entitled: BHP Billiton Petroleum Properties vs. Small Fry LLC et al, Suit No. 585984-C, 1st Judicial District Court, Parish of Caddo, Louisiana.

This matter was a discussion, and no action was taken by the Board. No comments were made by the public.

The eighth matter being considered by the Committee was a discussion in Executive Session of the suit entitled: Midstates Petroleum, LLC vs. State Mineral and Energy Board of the State of Louisiana, et al, Suit No. 14-1168, Third Circuit Court of Appeal.

Upon motion of Mr. Lambert, seconded by Mr. Smith, and by unanimous vote of the Committee and Board, the State Mineral and Energy Board granted the Attorney General's Office the authority to move forward with recommendations made in Executive Session. No comments were made by the public.

Upon motion of Mr. Chustz, seconded by Mr. Segura, the Legal and Title Controversy Committee meeting adjourned at 10:48 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

RESOLUTION # 15-08-015

Dupree Tractor Company et al
Settlement Agreement
SL#s 18606, 18863, 19999,
20039 and A0242
Docket Item No. 15-23

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, a request was made for final approval of a Settlement Agreement by and between the State Mineral and Energy Board, Dupree Tractor Company, Inc. and Dupree Land Properties, LLC, settling a title dispute on production from the HA RB SU53/109-X-56; HA RB SU65/109-X-62; HA RA SUBB/909-H-16, and HA RA SUBB/909-H-16 sand units, whereby revenue from production is divided 82.5% Dupree and 17.5% State, affecting State Lease Nos. 18606, 18863, 19999, 20039 and Operating Agreement "A0242", Red River Parish, Louisiana, with further particulars being stipulated in the instrument, on the Docket as Item No. 15-23;

WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration, recommended that the foregoing request be approved by the Legal and Title Controversy Committee;

ON MOTION of Mr. Arnold, seconded by Mr. Smith, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant final approval of the Settlement Agreement by and between the State Mineral and Energy Board, Dupree Tractor Company, Inc. and Dupree Land Properties, LLC, on the Docket as Item No. 15-23;

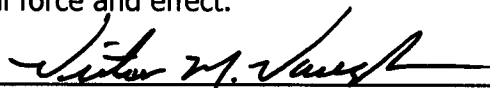
WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant final approval of the Settlement Agreement by and between the State Mineral and Energy Board, Dupree Tractor Company, Inc. and Dupree Land Properties, LLC, on the Docket as Item No. 15-23.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 15-08-016

John O'Connel et al
Settlement Agreement
SL#s 17236 and 18581
Docket Item No. 15-24

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, a request was made for final approval of a Settlement Agreement by and between the State Mineral and Energy Board, John O'Connell, Inc., Lac Real Estate, L.L.C., Carma Holdings, L.L.C., The Mercedes Perez Mack Exempt Trust, Suzanne De La Vergne McIntosh, Joan Elizabeth Heather Huey, Arthur S. Huey, IV, Vintage Assets, Inc., John R. Perez, III, Susan Perez Magee, Anne Perez Inabnett and Renee E. Perez Sachs, settling a title dispute on production from Tract 2 in the Cib Carst Reservoir A, Coquille Bay Field, Plaquemine Parish, La., with Tract 2 settlement participation being State 68.00000%; John O'Connell, Inc., 7.00000%; Lac Real Estate, L.L.C., 3.50000%; Carma Holdings, L.L.C. 3.50000%; The Mercedes Perez Mack Exempt Trust, 7.00000%; Suzanne De La Vergne McIntosh, 2.33333%; Joan Elizabeth Heather Huey, 1.55556%; Arthur S. Huey, IV, 0.77778%; Vintage Assets, Inc. 2.33333%; John R. Perez, III, 1.75000%; Susan Perez Magee, 1.75000%; Anne Perez Inabnett, 1.75000%; and Renee E. Perez Sachs, 1.75000%, of production, affecting State Lease Nos. 17236 and 18581, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the Docket as Item No. 15-24;

WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration, recommended that the foregoing request be approved by the Legal and Title Controversy Committee;

ON MOTION of Mr. Arnold, seconded by Mr. Chutz, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant final approval of the Settlement Agreement by and between the State Mineral and Energy Board, John O'Connell, Inc., Lac Real Estate, L.L.C., Carma Holdings, L.L.C., The Mercedes Perez Mack Exempt Trust, Suzanne De La Vergne McIntosh, Joan Elizabeth Heather Huey, Arthur S. Huey, IV, Vintage Assets, Inc., John R. Perez, III, Susan Perez Magee, Anne Perez Inabnett and Renee E. Perez Sachs, on the Docket as Item No. 15-24;

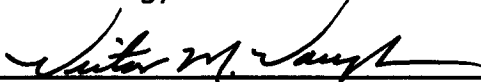
WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board grant final approval of the Settlement Agreement by and between the State Mineral and Energy Board, John O'Connell, Inc., Lac Real Estate, L.L.C., Carma Holdings, L.L.C., The Mercedes Perez Mack Exempt Trust, Suzanne De La Vergne McIntosh, Joan Elizabeth Heather Huey, Arthur S. Huey, IV, Vintage Assets, Inc., John R. Perez, III, Susan Perez Magee, Anne Perez Inabnett and Renee E. Perez Sachs, on the Docket as Item No. 15-24.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Shoreline Southeast LLC
Escrow Authority
State Lease No. 21436

RESOLUTION # 15-08-017

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, La. R.S. 30:129 grants the State Mineral and Energy Board (Board) full supervision over all mineral leases granted by the State of Louisiana (State), and authorizes the Board to take any action necessary to protect the interests of the State and enter into agreements or amend leases in the manner most beneficial to the State; and

WHEREAS, on August 5, 2015, Shoreline Southeast LLC (Lessee) notified the Office of Mineral Resources (OMR) that a *bona fide* dispute exists as a result of an adverse claim by an individual or entity not a party to the existing lease agreement regarding the ownership or title to all or a portion of the premises under lease by the State related to the N RF SUA, L DISC 12 RA SUA, and DISC 12 RE SUA Units, Bastian Bay Field, affecting State Lease No. 21436 in Plaquemines Parish, Louisiana, and requested authorization to deposit the royalty payments due on the production attributable to the disputed acreage into an escrow account in lieu of making such payments directly to OMR as required by the State Lease; and

WHEREAS, it is advantageous to the State for the Board to grant this request for escrow authority for a fixed duration of time, as an alternative to litigation, during which the adverse claim will be evaluated by the interested parties and efforts made to negotiate an amicable resolution of this title dispute; and

WHEREAS, OMR Staff offered the following recommendation for consideration by the Legal & Title Controversy Committee:

Resolution #15-08-017
(Legal & Title Controversy Committee)

That the State Mineral and Energy Board approve Lessee's request for escrow authority effective August 12th, 2015 and continuing through the February 2016 Board meeting, or the date of the next meeting of the Board thereafter, should it not meet that month, to allow for evaluation and resolution of the adverse claims, which authority is subject to the standard escrow procedure established by OMR.

ON MOTION of Mr. Arnold, seconded by Mr. Smith, after discussion and careful consideration, the foregoing OMR Staff recommendation was offered and unanimously accepted by the Legal & Title Controversy Committee.

WHEREAS, in response to the foregoing OMR Staff recommendation and action of the Legal & Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, after discussion and careful consideration, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED:

- I. a) The Board does hereby authorize Lessee to suspend the direct payment of royalties to the Office of Mineral Resources on the disputed acreage within State Lease No. 21436, related to the N RF SUA, L DISC 12 RA SUA, and DISC 12 RE SUA Units, Bastian Bay Field, Plaquemines Parish, Louisiana; and
- b) The escrow authority granted hereby is effective August 12th, 2015 and continuing through the February 2016 Board meeting, or the date of the next meeting of the Board thereafter, should it not meet that month, to allow for evaluation and resolution of the adverse claims; and
- c) This Resolution is contingent upon Lessee's compliance with the standard escrow procedure established by the Office of Mineral Resources, as set forth below; and
- d) The payment of royalties into the escrow account shall be accepted by the Board as the royalty payments due as required by the State Lease, and Lessee shall not be held in

Resolution #15-08-017
(Legal & Title Controversy Committee)

default of payment of its royalty obligation owed the State of Louisiana as long as deposits are timely and properly made into the escrow account as required by this Resolution; and

e) The Board reserves the right to audit the royalty payments deposited into the escrow account and further reserves all audit rights authorized by the State Lease; and

f) This Resolution is effective upon adoption.

BE IT FURTHER RESOLVED:

II. a) Within fifteen (15) calendar days of adoption of this Resolution, Lessee shall open and maintain a separate, interest-bearing escrow account at a FDIC insured financial institution having a presence in the State of Louisiana, and provide satisfactory documentary proof of having done so to the Office of Mineral Resources; and

b) Throughout the authorized escrow period, Lessee shall continue to timely provide fully completed SR-9 Reports (and any other requested documents) to the Office of Mineral Resources; and

c) Throughout the authorized escrow period, Lessee shall timely deposit the properly calculated and reported royalty payments attributable to the disputed acreage into the escrow account; and

d) Throughout the authorized escrow period, Lessee shall provide documentation (copies of deposited checks or monthly bank statements) of the timely deposit of royalty payments into the escrow account; and

Resolution #15-08-017
(Legal & Title Controversy Committee)

- e) Throughout the authorized escrow period, Lessee shall in good faith cooperate with the Board's efforts to negotiate a royalty sharing agreement or other amicable resolution of the title dispute with the adverse claimant(s); and
- f) If the ownership/title dispute is amicably resolved prior to expiration of the authorized escrow period, the royalty payments on deposit and interest thereon accumulating in the escrow account shall be timely distributed to the Lessor(s)/Owner(s) in accordance with the negotiated resolution; and
- g) If the ownership/title dispute is not amicably resolved prior to expiration of the authorized escrow period, and any extension thereof authorized by the Board, Lessee shall, within fifteen (15) calendar days of expiration, resume direct payments of royalties and transfer all royalty payments, including interest, on deposit in the escrow account to the Office of Mineral Resources, or invoke a concursus proceeding and transfer all royalty payments, including interest, on deposit in the escrow account into the Registry of the Court; and
- h) Lessee shall not transfer nor release any funds, including interest, on deposit in the escrow account authorized by this Resolution, without the knowledge and written authorization of the Office of Mineral Resources; and
- i) All charges and expenses in connection with the creation and maintenance of the escrow account authorized hereby are to be borne by Lessee.

BE IT FURTHER RESOLVED:

III. Lessee is required to strictly comply with the requirements set forth within this procedure. Lessee's failure to:

- a) Timely create the escrow account; or

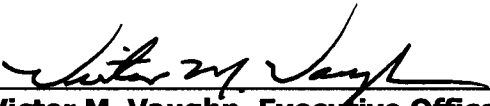
 Resolution #15-08-017
 (Legal & Title Controversy Committee)

- b) Timely deposit royalty payments; or
- c) Provide required documentation; or
- d) Timely invoke a concursus proceeding or resume direct payments of royalties to OMR upon expiration of the escrow authority;

may result in this Resolution and the escrow authorization granted hereby being rendered null and void *ab initio* by the Board and subject Lessee to the penalties and interest authorized by law and the State Lease.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and compliance with law, 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.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

Resolution #15-08-017
(Legal & Title Controversy Committee)

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 15-08-018

Allen Brothers Authority to Negotiate an Operating Agreement SL# 3170 Caddo Parish
--

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, a request was made by Allen Brothers for authority to negotiate with the staff of the Office of Mineral Resources (OMR) for an Operating Agreement covering acreage contained within former State Lease No. 3170 in Caddo Parish, Louisiana and to remove said acreage from commerce during the negotiating period; and

WHEREAS, OMR Staff having reviewed the history of former State Lease No. 3170 in conduction with this request, offered the following recommendation for consideration by the Legal & Title Controversy Committee;

That the State Mineral and Energy Board (Board) grant OMR Staff the authority to negotiate an Operating Agreement with Allen Brothers covering acreage contained within former State Lease No. 3170 in Caddo Parish, Louisiana and that a Settlement Agreement regarding outstanding unreleased production revenue be confected in conjunction with the Operating Agreement, and that the acreage be removed from commerce and unavailable for leasing until December 9, 2015 or until such agreements are confected and approved by the Board, whichever occurs first.

ON MOTION of Mr. Chutz, seconded by Mr. Arnold, after discussion and careful consideration, the foregoing recommendation was offered and unanimously accepted by the Legal & Title Controversy Committee:

WHEREAS, in response to the foregoing OMR Staff recommendation and action of the Legal & Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, after discussion and careful consideration, the following Resolution was offered and unanimously adopted by the Board:

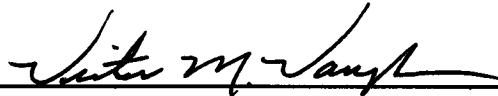
NOW THEREFORE, BE IT RESOLVED that OMR Staff is directed and authorized to negotiate an Operating Agreement with Allen Brothers covering acreage contained within former State Lease No. 3170 in Caddo Parish, Louisiana and that a Settlement Agreement regarding outstanding unreleased production revenue be confected in conjunction with the Operating Agreement, and that the acreage be

Resolution #15-08-018
(Legal & Title Controversy Committee)

removed from commerce and unavailable for leasing until December 9, 2015 or until such agreements are confected and approved by the Board, whichever occurs first.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

Resolution #15-08-018
(Legal & Title Controversy Committee)

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

GKER Onshore, LLC
Escrow Extension
State Lease No. 21092

RESOLUTION # 15-08-019

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, on June 16, 2014, GKER Onshore, LLC (Lessee) notified the Office of Mineral Resources (OMR) that a *bona fide* dispute exists as a result of an adverse claim by an individual or entity not a party to the existing lease agreement regarding the ownership or title to all or a portion of the premises under lease by the State of Louisiana (State) within the 86 RA SUA Unit affecting State Lease No. 21092 (State Lease) in Terrebonne Parish, Louisiana, and requested authorization to deposit the royalty payments due on the production attributable to the disputed acreage into an escrow account in lieu of making such payments directly to OMR as required by the State Lease; and

WHEREAS, the State Mineral and Energy Board (Board), by Resolution dated July 9, 2014, granted Lessee authority to escrow royalty payments for a period of ninety (90) days from that date; and

WHEREAS, the Board, by Resolution dated October 8, 2014, granted Lessee an extension of this escrow authority for a fixed term of one hundred eight (180) days from that date; and

WHEREAS, the Board, by Resolution dated June 10, 2015, granted Lessee an extension of this escrow authority for a fixed term of one hundred twenty (120) days, retroactive to April 7, 2015, and continuing through August 4, 2015;

WHEREAS, the Attorney General's office at the August 12, 2015 meeting requested an additional extension of this escrow authority; and

WHEREAS, it is advantageous to the State for the Board to continue this escrow authority to allow the Attorney General's office additional time to continue fact-finding and ongoing discussions with the disputing landowner;

WHEREAS, OMR Staff offered the following recommendation for consideration by the Legal & Title Controversy Committee:

That the State Mineral and Energy Board approve the request of the Attorney General's office for an extension of the previously granted escrow authority effective August 4, 2015 until the date of the February 2016 Board meeting, or the date of the next meeting of the Board thereafter, should it not meet that month.

ON MOTION of Mr. Arnold, seconded by Mr. Smith, after discussion and careful consideration, the foregoing OMR Staff recommendation was offered and unanimously accepted by the Legal & Title Controversy Committee.

Resolution #15-08-019
(Legal & Title Controversy Committee)

WHEREAS, in response to the foregoing OMR Staff recommendation and action of the Legal & Title Controversy Committee;

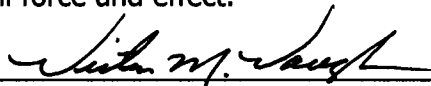
ON MOTION of Mr. Segura, seconded by Mr. Sanders, after discussion and careful consideration, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED:

- 1) Lessee is hereby authorized to continue suspending the direct payment of royalties to the Office of Mineral Resources on the disputed acreage under lease by the State of Louisiana within the 86 RA SUA Unit affecting State Lease No. 21092, in Terrebonne Parish, Louisiana and, in accordance with the royalty payment terms of the State Lease, deposit these royalties into a separate, interest-bearing escrow account at a FDIC insured financial institution having a presence in the State of Louisiana; and
- 2) The extension of the escrow authority granted hereby is effective August 4th, 2015 until the date of the February 2016 Board meeting, or the date of the next meeting of the Board thereafter, should it not meet that month; and
- 3) All terms of the prior Resolutions granting escrow authority are maintained and continued in full force and effect;
- 4) This Resolution is contingent upon Lessee's compliance with the standard escrow procedure established by the Office of Mineral Resources;
- 5) This Resolution is effective upon adoption.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and compliance with law, 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.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

Resolution #15-08-019
(Legal & Title Controversy Committee)

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Hilcorp Energy Company et al Escrow Extension State Lease Nos. 724, 21150, 21152 & 21157

RESOLUTION # 15-08-020

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, on May 5, 2014, Hilcorp Energy Company and other working interest owners (Lessees) notified the Office of Mineral Resources (OMR) that a *bona fide* dispute exists as a result of an adverse claim by an individual or entity not a party to the existing lease agreements regarding the ownership or title to all or a portion of the premises under lease by the State of Louisiana (State) within the CIB CARST RA SUA Unit affecting State Lease Nos. 724, 21150, 21152 and 21157, Four Isle Dome Field, Terrebonne Parish, Louisiana, and requested authorization to deposit the royalty payments due on the production attributable to the disputed acreage into an escrow account in lieu of making such payments directly to OMR as required by the State Leases; and

WHEREAS, the State Mineral and Energy Board (Board), by Resolution dated May 14, 2014, granted Lessees authority to escrow royalty payments for a period of ninety (90) days from that date; and

WHEREAS, the Board, by Resolution dated August 13, 2014, granted Lessees an extension of this escrow authority for a period not to exceed November 12, 2014; and

WHEREAS, the Board, by Resolution dated November 12, 2014, granted Lessees a second extension of this escrow authority for a period of one hundred eighty (180) days from that date; and

WHEREAS, the Board, by Resolution dated June 10, 2015, granted Lessees a third extension of this escrow authority for a period of one hundred twenty (120) days effective May 12, 2015 and continuing through September 8, 2015; and

WHEREAS, on August 6, 2015, Lessees requested a third extension of the previously granted escrow authority related to the title disputed acreage within State Lease Nos. 724, 21150, 21152 and 21157 situated within the CIB CARST RA SUA Unit, Four Isle Dome Field, Terrebonne Parish, Louisiana, as well as for expansion of the non-conflict acreage within that unit; and

WHEREAS, it is advantageous to the State of Louisiana for the Board to continue this escrow authority and expansion for a fixed duration of time, as an alternative to litigation, during which period that Attorney General will continue working with the disputing landowner to finalize the settlement terms and present the settlement proposal to the Board for consideration and approval; and

Resolution #15-08-020
(Legal & Title Controversy Committee)

WHEREAS, OMR Staff offered the following recommendation for consideration by the Legal & Title Controversy Committee:

That the State Mineral and Energy Board approve Lessees' request for an extension of the previously granted escrow authority related to the title disputed acreage within State Lease Nos. 724, 21150, 21152 and 21157 situated within the CIB CARST RA SUA Unit, Four Isle Dome Field, Terrebonne Parish, Louisiana, as well as for expansion of the non-conflict acreage within that unit effective August 12, 2015 until the date of the February 2016 Board meeting, or the date of the next meeting of the Board thereafter, should it not meet that month.

ON MOTION of Mr. Arnold, seconded by Mr. Smith, after discussion and careful consideration, the foregoing OMR Staff recommendation was offered and unanimously accepted by the Legal & Title Controversy Committee.

WHEREAS, in response to the foregoing OMR Staff recommendation and action of the Legal & Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, after discussion and careful consideration, the following Resolution was offered and unanimously adopted by the Board:

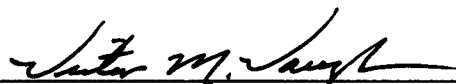
NOW THEREFORE, BE IT RESOLVED:

- 1) Lessees are hereby authorized to continue suspending the direct payment of royalties to the Office of Mineral Resources on the disputed acreage under lease by the State of Louisiana within the CIB CARST RA SUA Unit affecting State Lease Nos. 724, 21150, 21152 and 21157, Four Isle Dome Field, Terrebonne Parish, Louisiana, as well as for non-conflict acreage within that unit and, in accordance with the royalty payment terms of the State Leases, deposit these royalties into a separate, interest-bearing escrow account at a FDIC insured financial institution having a presence in the State of Louisiana; and
- 2) The extension and expansion of the escrow authority granted hereby is effective August 12th, 2015 until the date of the February 2016 Board meeting, or the date of the next meeting of the Board thereafter, should it not meet that month.
- 3) All terms of the prior Resolutions granting escrow authority are maintained and continued in full force and effect;
- 4) This Resolution is contingent upon Lessees' compliance with the standard escrow procedure established by the Office of Mineral Resources; and
- 5) This Resolution is effective upon adoption.

Resolution #15-08-020
(Legal & Title Controversy Committee)

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and compliance with law, 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.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

Resolution #15-08-020
(Legal & Title Controversy Committee)

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Midstates Petroleum, LLC
#14-1168, 3rd Circuit
Court of Appeal

RESOLUTION # 15-08-021

(LEGAL & TITLE CONTROVERSY COMMITTEE)

WHEREAS, a discussion in Executive Session was held regarding the suit entitled: Midstates Petroleum, LLC vs. State Mineral and Energy Board of the State of Louisiana, et al, Suit No. 14-1168, Third Circuit Court of Appeal;

ON MOTION of Mr. Arnold, seconded by Mr. Segura, the following recommendation was offered and unanimously adopted by the Legal and Title Controversy Committee after discussion and careful consideration:

That the State Mineral and Energy Board grant authority to the Attorney General's Office to move forward with recommendations made in Executive Session;

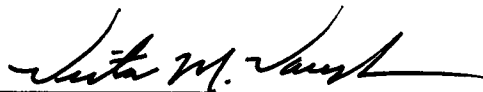
WHEREAS, after discussion and careful consideration of the foregoing request and the recommendation of the Legal and Title Controversy Committee;

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's Office to move forward with recommendations made in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August, 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**Victor M. Vaughn, Executive Officer
State Mineral and Energy Board**

BOBBY JINDAL
GOVERNOR



STEPHEN CHUSTZ
SECRETARY

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

The Docket Review Committee convened at 10:48 a.m. on Wednesday, August 12, 2015. Board Members present were Mr. Stephen Chustz, DNR Secretary, Mr. Thomas L. Arnold, Jr., Mr. Louis J. Lambert, Mr. Thomas W. Sanders, Mr. W. Paul Segura, Jr., Mr. Darryl D. Smith and Emile B. Cordaro.

The Committee made the following recommendations:

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

Approve all Assignments on pages 3 through 12; Docket Item Nos. 3, 4, 5, 6, 7, 8, 9, 10, 11 and 25 on pages 4, 5, 6 and 11 would be deferred at the request of the staff and Docket Item Nos. 14 and 15 on page 7 would be approved subject to the approval of the Governor of Louisiana;

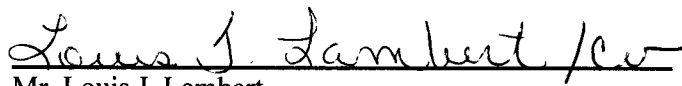
Approve the following item: Docket Items No. 15-21 and 15-22 on page 14.

Approve the following items upon recommendation of the Legal and Title Controversy Committee: Docket Item Nos. 15-23 and 15-24 on page 15;

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

There being no further business to come before the committee, upon motion of Mr. Sanders, and seconded by Mr. Smith, the committee voted unanimously to adjourn the meeting at 10:28 a.m.

Respectfully submitted,


Mr. 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

Resolution #15-08-022
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the August 12, 2015 Meeting be approved, said instrument an Oil, Gas and Mineral Lease from the Cameron Parish Police Jury, dated June 4, 2015, awarded to Land Resources, Inc., covering lands located in Section 18, Township 12 South, Range 8 West and Section 13, Township 12 South, Range 9 West, Cameron Parish, Louisiana, containing 4 acres, more or less, with further contractual obligations being more enumerated in the instrument.

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-023
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item B from the August 12, 2015 Meeting be approved, said an Oil, Gas and Mineral Lease from Terrebonne Parish Consolidated Government, dated June 11, 2015, awarded to Pride Oil & Gas Properties, Inc., covering lands located in Tract F-G-H-C-F Portion of Tract 22-B Oak Forest Plantation Estates CB 1812/671, Section 31 T17S-R15E, Terrebonne Parish, Louisiana, containing .5396 acres, more or less, with further contractual obligations being more enumerated in the instrument.

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

**Resolution #15-08-024
(DOCKET REVIEW COMMITTEE)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the August 12, 2015 Meeting be approved, said instrument being an Assignment from Apple Resources, LLC to Krewe Energy, LLC, of all of Assignor's right, title and interest in and to State Lease Nos 18010 and 19487, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-025
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 2 from the August 12, 2015 Meeting be approved, said instrument being an Assignment from Rayco Resources, L.L.C. to Krewe Energy, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 18010 and 19487, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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


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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-026
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the August 12, 2015, Meeting be deferred, said instrument being an Assignment from V & C Energy Limited Partnership of an undivided interest to the following in the proportions set out below:

Source Petroleum, Inc.	3.75% of 8/8ths
Main Energy, Inc.	1.60% of 8/8ths

in and to State Lease No. 17339, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-027
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the August 12, 2015, Meeting be deferred, said instrument being an Assignment from V & C Energy Limited Partnership to Southern Bay Oil & Gas, L.P., of all of Assignor's right, title and interest in and to State Lease No. 17339, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-028
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the August 12, 2015, Meeting be deferred, said instrument being an Assignment from Source Petroleum, Inc. to Southern Bay Louisiana, L.P. of all of Assignor's right, title and interest in and to State Lease No. 17339, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-029
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the August 12, 2015, Meeting be deferred, said instrument being an Assignment from Southern Bay Oil & Gas, L.P. to FMMury Energy, L.L.C. of an undivided .50% of 8/8th interest in and to State Lease No. 17339, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-030
(DOCKET REVIEW COMMITTEE)


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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 7 from the August 12, 2015, Meeting be deferred, said instrument being an Assignment from Southern Bay Louisiana, L.P. to Southern Bay Oil & Gas, L.P. of all of Assignor's right, title and interest in and to State Lease No. 17339, Lafourche Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is part of the Noble Energy, Inc. No 1 Louisiana Land and Exploration Well ("Perrin #1 Well), with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-031
(DOCKET REVIEW COMMITTEE)

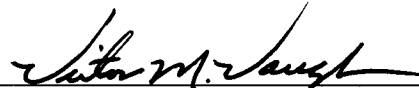
On motion of Mr. Segura seconded by Mr. Sanders, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 8 from the August 12, 2015, Meeting be deferred, said instrument being an Assignment from Southern Bay Louisiana, L.P. to Southern Bay Oil & Gas, L.P. of all of Assignor's right, title and interest in and to State Lease No. 17339, Lafourche Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is part of the Noble Energy, Inc. No. 1 Louisiana Land and Exploration Company Well (LL&E #1 Well) **AND INSOFAR AND ONLY INSOFAR AS** said lease is a part of the Noble Energy, Inc. No. 1 Juanita Perrin Folse Well (Folse #1 Well), with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-032
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 9 from the August 12, 2015, Meeting be deferred, said instrument being a Merger whereby Southern Bay Oil & Gas, L.P. is merging with and into Southern Bay Energy Acquisition, LLC, affecting State Lease Nos. 4318, 13006, 13292 and 17339, Lafourche and Pointe Coupee Parishes, Louisiana, with further particulars being stipulated in the instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

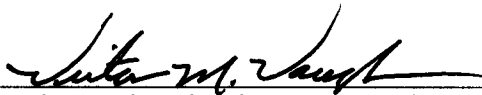
Resolution #15-08-033
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10 from the August 12, 2015, Meeting be deferred, said instrument being a Change of Name whereby Southern Bay Energy Acquisition, LLC is changing its name to Southern Bay Energy, LLC, affecting State Lease Nos. 4318, 13006, 13292 and 17339, Lafourche and Pointe Coupee Parishes, Louisiana, with further particulars being stipulated in the instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

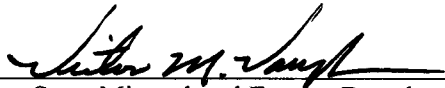
Resolution #15-08-034
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11 from the August 12, 2015, Meeting be deferred, said instrument being a Change of Name whereby Southern Bay Energy, LLC is changing its name to HK Energy, LLC, affecting State Lease Nos. 4318, 13006, 13292 and 17339, Lafourche and Pointe Coupee Parishes, Louisiana, with further particulars being stipulated in the instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

**Resolution #15-08-035
(DOCKET REVIEW COMMITTEE)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 12 from the August 12, 2015 Meeting be approved, said instrument being an Assignment from KiwiEnergy, Ltd , Metallica Soap Company, LLC, Loveless Asset Management, L L C , NRJ Investments, LLC and Coastline Energy Partners, LLC to Square Mile Energy, L L C of all of Assignor's right, title and interest in and to State Lease No 20626, St Charles Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

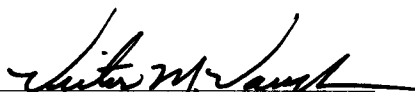
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

**Resolution #15-08-036
(DOCKET REVIEW COMMITTEE)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 13 from the August 12, 2015 Meeting be approved, said instrument being an Assignment from Marathon Energy Corporation to Texas Petroleum Investment Company, of all of Assignor's right, title and interest in and to State Lease Nos. 3475, 12105 and Operating Agreement "A0136", Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

**Resolution #15-08-037
(DOCKET REVIEW COMMITTEE)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 14 from the August 12, 2015 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being an Amended and Restated Assignment from EnergyQuest II, LLC to The Meridian Resource & Exploration LLC, of all of Assignor's right, title and interest in and to State Lease No 340, St Mary Parish, Louisiana, with further particulars being stipulated in the instrument.

The Meridian Resource & Exploration LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975

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

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

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

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

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

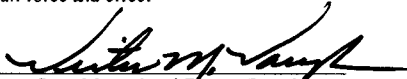
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

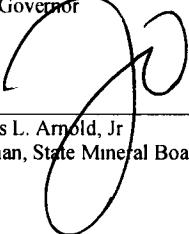
BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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: 
Thomas L. Arnold, Jr.
Chairman, State Mineral Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #15-08-038
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 15 from the August 12, 2015 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being an Assignment from Swift Energy Operating, LLC to Hilcorp Energy I, L.P., of all of Assignor's right, title and interest in and to State Lease No 212, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

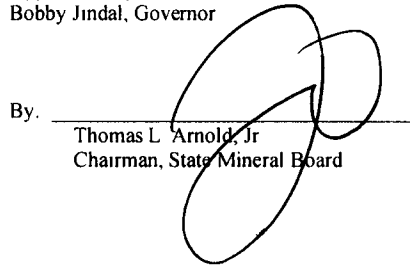
BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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. 
Thomas L. Arnold, Jr.
Chairman, State Mineral Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

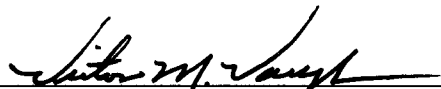
Resolution #15-08-039
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 16 from the August 12, 2015, Meeting be approved, said instrument being a Correction of Resolution No. 10 from the February 11, 2015 Board Meeting, being a Merger whereby JOMAC Properties merged with and into JOMAC Properties, a Limited Partnership, whereas State Lease No. 14531 was omitted from said Resolution and is hereby being added, affecting State Lease Nos. 7584, 7712, 11384, 11859, 12569 and 14531, Cameron, Jefferson Davis and Vermilion Parishes, Louisiana.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

**Resolution #15-08-040
(DOCKET REVIEW COMMITTEE)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 17 from the August 12, 2015 Meeting be approved, said instrument being an Assignment from Martin-Marks Minerals L.L.C., Barbara E. Callaway Trust IV, Clovelly Oil Co. LLC, Delta Operating Corporation, Digwell Energy, L.L.C., Hew-Tex Oil and Gas Corporation, Marks Explorer LLC, The Gray Exploration Company, Adolf J. Ross, Seven W Resources, Inc., Southeast Pass Investors LLC, Jazco LLC and Venture Exploration Corp to Texas Petroleum Investment Company of all of Assignor's right, title and interest in and to State Lease No. 19677, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

**Resolution #15-08-041
(DOCKET REVIEW COMMITTEE)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 18 from the August 12, 2015 Meeting be approved, said instrument being an Assignment from Ada Oil Exploration Corporation to Fin-Oil, Inc., of all of Assignor's right, title and interest in and to State Lease Nos 2383 and 2453, Jefferson and Lafourche 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 12th day of August, 2015, 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

Resolution #15-08-042 (DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 19 from the August 12, 2015 Meeting be approved, said instrument being a Merger whereby Fina Oil and Chemical Company is merging with and into Fin-Oil, Inc., affecting State Lease Nos 2383 and 2453, Jefferson and Lafourche 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 12th day of August, 2015, 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

**Resolution #15-08-043
(DOCKET REVIEW COMMITTEE)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 20 from the August 12, 2015 Meeting be approved, said instrument being an Assignment from Schoeffler Energy, LLC to Wildhorse Resources II, LLC, of all of Assignor's right, title and interest in and to State Lease No 21571, Lincoln Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-044 (DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 21 from the August 12, 2015 Meeting be approved, said instrument being an Assignment from Reef Exploration, L P to Rozel Exploration, LLC, of all of Assignor's right, title and interest in and to State Lease No 20609, Iberville Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** situated within the geographical confines of the Marg H Zone, Reservoir B, **AND INSOFAR AND ONLY INSOFAR AS** to those rights down to 100' below the total depth drilled in the Rozel Operating Company- Marg H RB SUA; Wilbert's Lands, Inc No 1 Well, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-045 (DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 22 from the August 12, 2015 Meeting be approved, said instrument being an Assignment from WCX Energy, LLC to White Oak Resources VI, LLC of all of Assignor's right, title and interest in and to State Lease Nos. 7520 and 20053, St. Martin Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

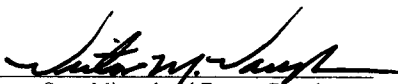
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-046 (DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 23 from the August 12, 2015 Meeting be approved, said instrument being an Assignment from Oil Land Services, Inc. to Hilcorp Energy I, L.P. of all of Assignor's right, title and interest in and to State Lease Nos 21495 and 21505, Jefferson and Plaquemines Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

**Resolution #15-08-047
(DOCKET REVIEW COMMITTEE)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 24 from the August 12, 2015 Meeting be approved, said instrument being an Assignment and Correction of Assignment from Krescent Energy Partners I, LP to MMK Energy, LP of all of Assignor's right, title and interest in and to State Lease No 13148, Acadia and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-048
(DOCKET REVIEW COMMITTEE)

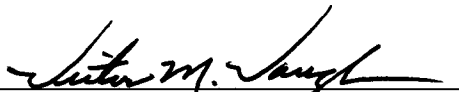
On motion of Mr. Segura seconded by Mr. Sanders, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 25 from the August 12, 2015, Meeting be deferred, said instrument being An Assignment and Correction of Assignment from Krescent Energy Partners I, LP to MMK Energy, LP of all of Assignor's right, title and interest in and to State Lease No. 12605, Jefferson Davis and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-049 (DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 26 from the August 12, 2015 Meeting be approved, said instrument being an Assignment from Krescent Energy Partners I, LP to MMK Energy, LP of all of Assignor's right, title and interest in and to State Lease No. 4218, Acadia Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

**Resolution #15-08-050
(DOCKET REVIEW COMMITTEE)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 27 from the August 12, 2015 Meeting be approved, said instrument being a Sublease from Badger Energy, L L C and Mack Oil Co to Hilcorp Energy I, L P of 25%, in equal parts, of Sublessor's right, title and interest in and to State Lease No 20984, Plaquemines Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is located within the geographic confines of the Badger Energy, L L C – Lake Washington Field-VUA, **AND FURTHER INSOFAR AND ONLY INSOFAR AS** to the depths therein from the surface to the stratigraphic equivalent of 12,720', electrical log measurements (12,090', true vertical depth) in the Badger Energy, LLC, SL 20984 No. 1 Well, located in Section 32, Township 19 South, Range 26 East, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

**Resolution #15-08-051
(DOCKET REVIEW COMMITTEE)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 28 from the August 12, 2015 Meeting be approved, said instrument being a Sublease from Hilcorp Energy I, L P of 75% of Sublessor's right, title and interest to the following in the proportions set out below

Badger Energy, L L C	37 5%
Mack Oil Co	37 5%

in and to State Lease No 2028, Plaquemines Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is located within the geographic confines of the Badger Energy, L L C – Lake Washington Field-VUA, **AND FURTHER INSOFAR AND ONLY INSOFAR AS** to the depths therein from the surface to the stratigraphic equivalent of 12,720', electrical log measurements (12,090', true vertical depth) in the Badger Energy, L.L.C, SL 20984 No 1 Well, located in Section 32, Township 19 South, Range 26 East, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-052
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 29 from the August 12, 2015 Meeting be approved, said instrument being an Assignment from Rozell Exploration, LLC of an undivided 85 75% of Assignor's right, title and interest to the following in the proportions set out below

Hurd Enterprises, Ltd	15 000%
Winn Exploration Co , Inc	12 500%
The Chalkley Exploration Group, Limited Liability Company	7 500%
Coastal Drilling Exploration II LLC	7 500%
The Termo Company	6 000%
Buckingham Oil Interests, Inc	5 625%
Jenkins Street Partners, Ltd	3 750%
HAEC Louisiana E & P, Inc	3 000%
Timco Real Estate, L L C	2 250%
Blankenship Oil and Gas, LLC	625%
BEM Productions, Inc.	2 000%
Cotton Patch Petroleum One, LLC	2 500%
Aquila, LLC	2 500%
Avery Energy, LLC	15 000%

in and to State Lease Nos 2102, 20609 and Operating Agreement "A0333", Iberville Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said leases, lands and waterbottoms are situated within the geographical confines of the Marg H Zone, Reservoir B, Bayou Sorrel Field, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015, 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

Resolution #15-08-053
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 15-21 from the August 12, 2015, Meeting be approved, said instrument being an Amendment of that certain Unitization Agreement, dated May 29, 2015, by and between the Louisiana State Mineral and Energy Board and Harvest Oil & Gas, L.L.C., whereas said parties desire to amend said Unitization Agreement as follows (i) that the Exhibit "B" attached to said Agreement be replaced with the revised Exhibit "B" attached hereto and made a part hereof; (ii) That the language in Section 1 of said Agreement reading "containing approximately 1,430.00 acres, more or less" shall be and is hereby amended to read "containing approximately 876.11 acres, more or less"; and (iii) that the language in Section 7(a) of said Agreement reading "comprises 1,430.00 acres, more or less" shall be hereby amended to read "comprises 876.11 acres, more or less", affecting State Lease Nos. 3762, 3763 and 19967, Vermillion Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015 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

Resolution #15-08-054
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 15-22 from the August 12, 2015, Meeting be approved, said instrument being a Unitization Agreement by and between the State Mineral and Energy Board, Bayou Resources, LLC and Achilles Oil, LLC, to create a 40 acre unit, more or less, identified as the “**Achilles Oil LLC- Larto Lake Field- V.U.A.; SL 21125 #1**”, with 20 acres being attributable to State Lease No. 21125 and the remaining acreage being attributable to private ownership, Catahoula and Concordia Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015 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

Resolution #15-08-055
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 15-23 from the August 12, 2015, Meeting be approved, said instrument being a Settlement Agreement by and between the State Mineral and Energy Board, Dupree Tractor Company, Inc. and Dupree Land Properties, LLC (herein "Duprees"), settling a title dispute on production from the HA RB SU53/109-X-56; HA RB SU65/109-X-62; HA RA SUBB/909-H-16, and HA RA SUBB/909-H-16 sand units, whereby revenue from production is divided 82.5% Dupree and 17.5% State, affecting State Lease Nos. 18606, 18863, 19999, 20039 and Operating Agreement "A0242", Red River Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of August, 2015 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

Resolution #15-08-056
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 15-24 from the August 12, 2015, Meeting be approved, said instrument being a Settlement Agreement by and between the State Mineral & Energy Board, John O'Connell, Inc., Lac Real Estate, L.L.C., Carma Holdings, L.L.C., The Mercedes Perez Mack Exempt Trust, Suzanne De La Vergne McIntosh, Joan Elizabeth Heather Huey, Arthur S. Huey, IV, Vintage Assets, Inc., John R. Perez, III, Susan Perez Magee, Anne Perez Inabnett and Renee E. Perez Sachs, settling a title dispute on production from Tract 2 in the Cib Carst Reservoir A, Coquille Bay Field, Plaquemine Parish, La. with Tract 2 settlement participation being State 68.00000%; John O'Connell, Inc., 7.00000%; Lac Real Estate, L.L.C., 3.50000%; Carma Holdings, L.L.C. 3.50000%; The Mercedes Perez Mack Exempt Trust, 7.00000; Suzanne De La Vergne McIntosh, 2.33333%; Joan Elizabeth Heather Huey, 1.55556%; Arthur S. Huey, IV, 0.77778%; Vintage Assets, Inc. 2.33333%; John R. Perez, III, 1.75000%; Susan Perez Magee, 1.75000%; Anne Perez Inabnett, 1.75000%; and Renee E. Perez Sachs, 1.75000%, of production, affecting State Lease Nos. 17236 and 18581, 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 12th day of August, 2015 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