

# **MINUTES**

## **STATE MINERAL AND ENERGY BOARD**

### **SPECIAL MEETING AND LEASE SALE**

**FEBRUARY 26, 2014**

**STATE MINERAL AND ENERGY BOARD  
REGULAR MEETING AND LEASE SALE MINUTES  
FEBRUARY 12, 2014**

Due to a lack in quorum, the Regular Meeting and Lease Sale of the State Mineral and Energy Board was cancelled on Wednesday, February 12, 2014, in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Board Members present were:

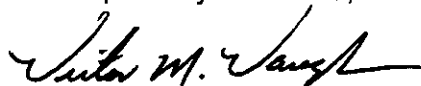
W. Paul Segura, Jr., Chairman  
Thomas L. Arnold, Jr., Vice-Chairman  
Stephen Chustz, DNR Secretary  
Dan R. Brouillette

The following members of the Board were recorded as absent:

Emile B. Cordaro  
Thomas W. Sanders  
Darryl D. Smith  
Louis J. Lambert  
Robert "Michael" Morton  
Garrett Graves, Governor Jindal's designee to the Board

Since a quorum of six Board Members is required to hold the Regular Meeting and Lease Sale, Mr. Segura announced the cancellation of the February 12, 2014 State Mineral and Energy Board Regular Meeting and Lease Sale and stated to check the DNR website as the meeting may be rescheduled for the following week.

Respectfully submitted,



Victor M. Vaughn  
Executive Officer  
State Mineral and Energy Board

**STATE MINERAL AND ENERGY BOARD**  
**SPECIAL MEETING AND LEASE SALE MINUTES**  
**FEBRUARY 26, 2014**

A Special Meeting and Lease Sale of the State Mineral and Energy Board was held on Wednesday, February 26, 2014, beginning at 3:18 p.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman. This Special Meeting and Lease Sale was called due to a lack in quorum at the Wednesday, February 12, 2014, Regular Meeting and Lease Sale.

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

W. Paul Segura, Jr., Chairman  
Thomas L. Arnold, Jr., Vice-Chairman  
Dan R. Brouillette  
Stephen Chustz, DNR Secretary  
Emile B. Cordaro  
Thomas W. Sanders  
Darryl D. Smith  
Theodore M. "Ted" Haik, Jr.  
Chip Kline (Governor Jindal's designee to the Board)

The following members of the Board were recorded as absent:  
Robert "Michael" Morton  
Louis J. Lambert

Ms. Talley announced that nine (9) 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  
Jackson Logan, Assistant Attorney General

The Chairman stated that the first order of business was the approval of the January 8, 2014 Minutes. A motion was made by Mr. Arnold to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Mr. Sanders and unanimously adopted by the Board. (No public comment was made at this time.)

STATE MINERAL AND ENERGY BOARD  
Special Meeting and Lease Sale Minutes  
February 26, 2014

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

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

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

At this time, the Chairman announced that the Board would recess its regular meeting at 3:19 p.m. to go into executive session for technical briefing in order to consider matters before the Board which were confidential in nature. A motion was made by Mr. Brouillette, seconded by Mr. Arnold, and unanimously adopted by the Board.

During the technical briefing, the Board conferred with staff personnel concerning the merit of the bids that were submitted and opened earlier today at a public meeting\*, based on geological, engineering and other confidential data and analyses available to the Board and staff, after which, upon motion of Mr. Sanders, seconded by Mr. Arnold, and unanimously adopted by the Board, the Board reconvened in open session at 3:30 p.m.

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

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

Mr. Vaughn stated that the staff recommends the bid submitted on Tract 43790 by Tacoma Energy Corporation be rejected due to improper bid since it was determined after the lease sale that the Caddo Parish School Board did not own the minerals on this tract.

Mr. Vaughn also stated that the staff recommends the bid submitted on Tract 43791 by Patrick L. Donohue Petroleum Properties, Inc. be accepted.

Mr. Vaughn further recommended that the bids received on the remaining tracts be accepted.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43753, said portion being 10.000 acres more particularly described in said bid and outlined on accompanying plat, to Stephen M. Jenkins, Inc.

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Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43753, said portion being 4.000 acres more particularly described in said bid and outlined on accompanying plat, to Stephen M. Jenkins, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43755 to Banff Energy, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43756, said portion being 271.000 acres more particularly described in said bid and outlined on accompanying plat, to Banff Energy, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43758, said portion being 239.68 acres more particularly described in said bid and outlined on accompanying plat, to Attic Investment, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43760, said portion being 179.00 acres more particularly described in said bid and outlined on accompanying plat, to Tchefuncte Natural Resources, L.L.C.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43762, said portion being 108.00 acres more particularly described in said bid and outlined on accompanying plat, to Petra Energy Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43762, said portion being 194.00 acres more particularly described in said bid and outlined on accompanying plat, to Petra Energy Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43781 to Allen & Kirmse, Ltd.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43782 to Allen & Kirmse, Ltd.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43783 to Allen & Kirmse, Ltd.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43787, said portion being 28.000 acres more particularly described in said bid and outlined on accompanying plat, to Cypress Energy Corporation.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43787, said portion being 162.000 acres more particularly described in said bid and outlined on accompanying plat, to Cypress Energy Corporation.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43788, said portion being 236.000 acres more particularly described in said bid and outlined on accompanying plat, to Cypress Energy Corporation.

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Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43791 to Patrick L. Donohue Petroleum Properties, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43792, said portion being 266.000 acres more particularly described in said bid and outlined on accompanying plat, to Theophilus Oil, Gas & Land Services, LLC.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43793, said portion being 142.000 acres more particularly described in said bid and outlined on accompanying plat, to Stephen M. Jenkins, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 43793, said portion being 155.000 acres more particularly described in said bid and outlined on accompanying plat, to Stephen M. Jenkins, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43795 to Duncan Oil Partners, L.L.C.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 43796 to Duncan Oil Partners, L.L.C.

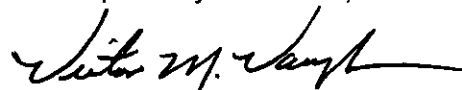
This concluded the awarding of the leases.

The following announcements were then made:

Ms. Talley stated that each Board Member has an updated 2013 Code of Governmental Ethics Booklet in their package to remove and take with them. Ms. Talley then announced that "the total for today's Lease Sale is \$1,102,769.40, bringing the fiscal year-to-date total to just under \$14 million."

The Chairman announced the addition of newly appointed State Mineral and Energy Board Member, Mr. Theodore M. "Ted" Haik of New Iberia. Mr. Haik is a former Louisiana State Representative of many years and the Board is proud to have him join them. The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Sanders, seconded by Mr. Cordaro, the meeting was adjourned at 3:34 p.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 FEBRUARY 26,  
2014 STATE MINERAL AND ENERGY  
BOARD SPECIAL MEETING AND LEASE  
SALE MINUTES BY REFERENCE

**STATE MINERAL AND ENERGY BOARD**  
**OPENING OF SEALED BIDS MINUTES**  
**FEBRUARY 12, 2014**

A public meeting for the purpose of opening sealed bids was held on Wednesday, February 12, 2014, beginning at 8:34 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  
Ryan Seidemann, Assistant Attorney General

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:

**February 12, 2014**

**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. 43753 through 43796, 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 letters of protest were received for today's Lease Sale from Miami Corporation for Tract No. 43756 and Edward Wisner Donation Trust for Tract Nos. 43782 and 43783.

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



STATE MINERAL AND ENERGY BOARD  
 Opening of Sealed Bids Minutes  
 February 12, 2014

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

**INLAND TRACTS**

Tract 43753  
 (Portion – 10.000 acres)

Bidder	:	Stephen M. Jenkins, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$4,400.00
Annual Rental	:	\$2,200.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 43753  
 (Portion – 4.000 acres)

Bidder	:	Stephen M. Jenkins, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$1,760.00
Annual Rental	:	\$880.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 43754

No Bids

Tract 43755

Bidder	:	Banff Energy, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$319,495.00
Annual Rental	:	\$159,747.50
Royalties	:	23.500% on oil and gas
	:	23.500% on other minerals
Additional Consideration	:	None

Tract 43756  
 (Portion – 271.000 acres)

Bidder	:	Banff Energy, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$99,457.00
Annual Rental	:	\$49,728.50
Royalties	:	23.500% on oil and gas
	:	23.500% on other minerals
Additional Consideration	:	None

STATE MINERAL AND ENERGY BOARD  
 Opening of Sealed Bids Minutes  
 February 12, 2014

Tract 43757

No Bids

Tract 43758  
 (Portion – 239.68 acres)

Bidder	:	Attic Investment, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$47,936.00
Annual Rental	:	\$23,968.00
Royalties	:	20.500% on oil and gas
	:	20.500% on other minerals
Additional Consideration	:	None

Tract 43759

No Bids

Tract 43760  
 (Portion –179 acres)

Bidder	:	Tchefuncte Natural Resources, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$31,325.00
Annual Rental	:	\$15,662.50
Royalties	:	20.500% on oil and gas
	:	20.500% on other minerals
Additional Consideration	:	Tchefuncte Natural Resources, L.L.C. ("TNR") is the owner of the 28 RA SUA; SL 9570 Well No. 1 (SN 179600) and the SL 9570 Well No. 4 (SN 201406), which wells are located on the lands described in this portion bid. As additional consideration for the granting of this lease, TNR will, during the first year of the lease, commence, in good faith, operations to restore production from one (1) of said wells, unless said operations are delayed or made impractical by the occurrence of a Force Majeure event, as defined in paragraph 13 of the state lease form. In the event TNR fails to commence such good faith operations, TNR will, within thirty (30) days from the first anniversary of the lease, pay the State of Louisiana, as liquidated damages, the sum of \$4,475.00.

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No Bids Tract 43761

Tract 43762  
(Portion – 108.00 acres)

Bidder	:	Petra Energy Services, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$22,788.00
Annual Rental	:	\$11,394.00
Royalties	:	21.00% on oil and gas
	:	21.00% on other minerals
Additional Consideration	:	None

Tract 43762  
(Portion – 194.00 acres)

Bidder	:	Petra Energy Services, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$40,934.00
Annual Rental	:	\$20,467.00
Royalties	:	21.00% on oil and gas
	:	21.00% on other minerals
Additional Consideration	:	None

No Bids Tract 43763

No Bids Tract 43764

No Bids Tract 43765

No Bids Tract 43766

No Bids Tract 43767

No Bids Tract 43768

No Bids Tract 43769

No Bids Tract 43770

STATE MINERAL AND ENERGY BOARD  
 Opening of Sealed Bids Minutes  
 February 12, 2014

No Bids	Tract 43771	
No Bids	Tract 43772	
No Bids	Tract 43773	
No Bids	Tract 43774	
No Bids	Tract 43775	
No Bids	Tract 43776	
No Bids	Tract 43777	
No Bids	Tract 43778	
No Bids	Tract 43779	
No Bids	Tract 43780	
	Tract 43781	
Bidder	:	Allen & Kirmse, Ltd.
Primary Term	:	Three (3) years
Cash Payment	:	\$17,000.00
Annual Rental	:	\$8,500.00
Royalties	:	23.00% on oil and gas
	:	23.00% on other minerals
Additional Consideration	:	None
	Tract 43782	
Bidder	:	Allen & Kirmse, Ltd.
Primary Term	:	Three (3) years
Cash Payment	:	\$14,400.00
Annual Rental	:	\$7,200.00
Royalties	:	23.00% on oil and gas
	:	23.00% on other minerals
Additional Consideration	:	None

STATE MINERAL AND ENERGY BOARD  
 Opening of Sealed Bids Minutes  
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	Tract 43783	
Bidder	:	Allen & Kirmse, Ltd.
Primary Term	:	Three (3) years
Cash Payment	:	\$19,800.00
Annual Rental	:	\$9,900.00
Royalties	:	23.00% on oil and gas
	:	23.00% on other minerals
Additional Consideration	:	None
	Tract 43784	
No Bids		
	Tract 43785	
No Bids		
	Tract 43786	
No Bids		
	Tract 43787 (Portion –28.000 acres)	
Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$8,540.00
Annual Rental	:	\$4,270.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None
	Tract 43787 (Portion –162.000 acres)	
Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$122,310.00
Annual Rental	:	\$61,155.00
Royalties	:	23.500% on oil and gas
	:	23.500% on other minerals
Additional Consideration	:	None
	Tract 43788 (Portion – 236.000 acres)	
Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$178,180.00
Annual Rental	:	\$89,090.00
Royalties	:	23.500% on oil and gas
	:	23.500% on other minerals
Additional Consideration	:	None

STATE MINERAL AND ENERGY BOARD  
Opening of Sealed Bids Minutes  
February 12, 2014

Tract 43789

No Bids

**STATE AGENCY**

Tract 43790

Bidder	:	Tacoma Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$1,052.00
Annual Rental	:	\$526.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 43791

Bidder	:	Patrick L. Donohue Petroleum Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$8,591.40
Annual Rental	:	\$4,295.70
Royalties	:	25.600% on oil and gas
	:	25.600% on other minerals
Additional Consideration	:	None

Tract 43791

Bidder	:	Acadian Land Services L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$7,231.10
Annual Rental	:	\$3,615.55
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

**SCHOOL INDEMNITY LANDS**

Tract 43792

(Portion – 266.000 acres)

Bidder	:	Theophilus Oil, Gas & Land Services, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$20,083.00
Annual Rental	:	\$10,041.50
Royalties	:	20.00% on oil and gas
	:	20.00% on other minerals
Additional Consideration	:	None

STATE MINERAL AND ENERGY BOARD  
 Opening of Sealed Bids Minutes  
 February 12, 2014

**SABINE ISLAND WMA**

Tract 43793  
 (Portion – 142.000 acres)

Bidder	:	Stephen M. Jenkins, Inc
Primary Term	:	Three (3) years
Cash Payment	:	\$63,900.00
Annual Rental	:	\$31,950.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 43793  
 (Portion – 155.000 acres)

Bidder	:	Stephen M. Jenkins, Inc
Primary Term	:	Three (3) years
Cash Payment	:	\$69,750.00
Annual Rental	:	\$34,875.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 43794

No Bids

**TAX ADJUDICATED LANDS**

Tract 43795

Bidder	:	Duncan Oil Partners, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$6,060.00
Annual Rental	:	\$3,030.00
Royalties	:	22.500% on oil and gas
	:	22.500% on other minerals
Additional Consideration	:	None

Tract 43796

Bidder	:	Duncan Oil Partners, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$6,060.00
Annual Rental	:	\$3,030.00
Royalties	:	22.500% on oil and gas
	:	22.500% on other minerals
Additional Consideration	:	None

STATE MINERAL AND ENERGY BOARD  
Opening of Sealed Bids Minutes  
February 12, 2014

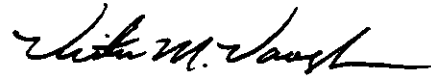
This concluded the reading of the bids.

There being no further business, the meeting was concluded at 9:10 a.m.

The meeting reconvened at 10:05 am to clarify an issue with the submittal of a bid in a sealed envelope labeled with the incorrect tract number on the exterior of the envelope differing from the tract number listed on the bid form.

The meeting was concluded at 10:06 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Victor M. Vaughn". The signature is fluid and cursive, with a long horizontal stroke at the end.

Victor M. Vaughn  
Executive Officer  
State Mineral and Energy Board





**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, February 26, 2014 at 2:00 p.m. with the following members of the Board in attendance: Mr. Thomas L. Arnold, Jr., Mr. Dan R. Brouillette, Mr. Stephen Chustz, Mr. Emile B. Cordaro, Mr. Theodore M. "Ted" Haik, Jr., Mr. Thomas W. Sanders, Mr. W. Paul Segura, Jr., and Mr. Chip Kline, Governor Bobby Jindal's designee on the Board.

**I. Geological and Engineering Staff Review**

According to SONRIS there are 1,812 active State Leases covering almost 762,000 acres. The Geological and Engineering Division has reviewed 92 leases covering approximately 18,000 acres.

**II. Committee Review**

1. A staff report on **State Lease 173**, Caddo Pine Island Field, Caddo Parish. Gemini Explorations, Inc. is the Lessee.

**III. Force Majeure**

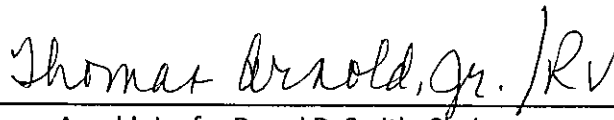
Updated 1/27/2014

Company Name	Lease Numbers
Leases Off Production Due to Non-Storm Related Force Majeure Events	
Energy Properties Inc.	725 (March'2014)

On motion by Mr. Sanders, seconded by Segura, the Committee moved to defer Item No. 1, a staff report on State Lease 173, to the March 12, 2014 Lease Review Committee Meeting.

On motion by Mr. Sanders, seconded by Mr. Segura, the Committee moved to adjourn the February 26, 2014 meeting at 2:06 p.m.

Respectfully submitted,



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Thomas Arnold, Jr. for 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.**



Louisiana Department of Natural Resources (DNR)

**SONRIS**

**Staff Reviews**

Report run on: March 5, 2014 3:23 PM

District Code 1 New Orleans- East

Get Review Date February 12, 2014

Lease Num	D/A	Field	Latest Lease Activity	Productive Acreage	Present Acreage	Flagged for Review If
01277		MAIN PASS BLOCK 69	227889-SL 1277-039 03/02/2003	1600	1953	FEB. AR 1/14/14 JMB AR, HBP, 23 LEASE WELLS, 4 UNITS
13306		CHANDELEUR SOUND BLOCK 71	.832 07/21/2003	3 689	3.689	FEB. AR 1/14/14 JMB AR, HBP, 1 UNIT
16667		MAIN PASS BLOCK 46 , MAIN PASS BLOCK 47	165.29 07/08/2008	73.05	73.05	FEB. AR 1/14/14 JMB AR, HBP, 1 UNIT
16798		CHANDELEUR SOUND BLOCK 69		160.01	160.01	FEB. AR 1/14/14 JMB AR, HBP, 1 LEASE WELL
17689		BRETON SOUND BLOCK 45	85.7 12/19/2007	176.3	176.3	FEB. AR 1/14/14 JMB AR, HBP, 1 VU
17691		BRETON SOUND BLOCK 45	110.88 12/19/2007	336.12	336.12	FEB. AR 1/14/14 JMB AR, HBP, 1 VU
17772		BAYOU BILOXI	20.692 06/06/2006	168.308	168.308	FEB. AR LITIGATION-ESCROWED 1/14/14 JMB AR, HBP, 1 VU
20344		MAIN PASS BLOCK 23		160	296.84	FEB. PT 5/12/13 1/14/14 JMB AR, HBP, 1 GAS LEASE WELL (160 ACRES PROD.)
20781				0	1109.82	FEB. PT 11/9/14 1/14/14 JMB PAID RENTAL (DUE 11/09/13)



# Louisiana Department of Natural Resources (DNR)

## SONRIS

## Staff Reviews

Report run on: March 5, 2014 3:23 PM

District Code 1W New Orleans- West

Get Review Date February 12, 2014

Lease Num	DA	Title	Legal Lease Activity	Productive Acreage	Present Acreage	Flagged for Review to
12415		LAKE WASHINGTON	LW R RB SU 09/01/1996	2.742	2.742	FEB. AR 1/14/14 AJL HBP BY ONE UNIT THAT COVERS THE ENTIRE LEASE.
16338		SATURDAY ISLAND	4.902 01/09/2014	4.902	4.902	FEB. AR 1/14/14 AJL HBP FROM ONE UNIT THAT COVERS ENTIRE LEASE
19531		GOLDEN MEADOW	TEX W RB SUA;LL&E GM 07/26/2011 14-NNN-2	36.845	140	FEB. 1/14/14 AJL PARTIALLY HELD BY 2 UNITS. WE ARE STILL WAITING ON A RELEASE FROM AN OLDER ROUTE SHEET
20008		LAKE WASHINGTON	L2 RA SUC;LL&E FEE 149-C-1 97-29	87.68	154	FEB. 2/10/2014 AJL ROUTE SHEET SL PARTIALLY EXPIRED NEED RELEASE OF 66.32 ACRES
20011		TIMBALIER BAY ONSHORE	D 30-39 RA SUA;SL 1772 11/01/2010 665-ZZ 10-995	2.533	209.47	FEB. 2/10/14 ROUTE SHEET AJL SL PARTIALLY EXPIRED NEED RELEASE FOR 206.937 ACRES HELD BY D 30-39 RA SUA
20238		SOUTH PASS BLOCK 24	6 RA SUA;SL 20238 11/01/2011 227-SSS 11-655	37.84	311	FEB. PT 1/13/13 2/10/14 AJL SL PARTIALLY EXPIRED NEED RELEASE FOR 286.489 ACRES
20482		MAIN PASS BLOCK 35		160	242.39	FEB. PT 11/10/13 1/14/14 AJL HELD BY LEASE PROD. LOOKING INTO THE 660 RULE AS PERTAINS TO SL 20967 (OFFSETS SL 20482) THE SL 20482 NO.1. MAYBE DRAINING MINERALS FROM OF SL 20967. UNITIZATION OF THE TWO SL'S MAY OCCUR.
20519				0	121.45	FEB. PT 1/12/14 2/10/14 AJL SL APP EXP.
20783				0	1530	FEB. PT 11/9/14 1/14/14 AJL HELD BY RENTAL PAID ON 10/28/2013.
21058				0	109.11	FEB. PT 11/14/15 1/14/14 AJL HELD BY RENTAL PAID ON 10/29/2013.
21059				0	29.6	FEB. PT 11/14/15 1/14/14 AJL HELD BY RENTAL PAID ON 10/29/2013.
21060				0	201.51	FEB. PT 11/14/15 1/14/14 AJL HELD BY RENTAL PAID ON 10/29/2013
21061		LAKE SALVADOR, WEST	CRIS I RE SUA;SL 19774 02/26/2013 1543-A-3 13-63	68.031	68.031	FEB. PT 11/14/15 1/14/14 AJL HBP FROM ONE UNIT THAT COVERS ENTIRE LEASE.
21061		LAKE SALVADOR, WEST	CRIS I RE SUA;SL 19774 02/26/2013 1543-A-3 13-63	68.031	68.031	FEB. PT 11/14/15 1/14/14 AJL HBP FROM ONE UNIT THAT COVERS ENTIRE LEASE.
21063		LAKE SALVADOR, WEST	SL 21063 12/21/2013	0	103.08	FEB. PT 11/14/15 1/14/14 AJL HELD BY RENTAL PAID ON



Louisiana Department of Natural Resources (DNR)

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Lease Num	DA	Field	Latest Lease Activity	Productive Acreage	Present Acreage	Flagged for Review
						11/12/2013
21064				0	93.15	FEB. PT 11/14/15 1/14/14 AJL HELD BY RENTAL PAID ON 10/29/2013
21066				0	93.5	FEB. PT 11/14/15 1/14/14 AJL HELD BY RENTAL PAID ON 10/29/2013.
21067				0	187	FEB. PT 11/14/15 1/14/14 AJL HELD BY RENTAL PAID ON 10/29/2013.
21070				0	9.88	FEB. PT 11/14/15 1/14/14 AJL HELD BY RENTAL PAID ON 10/29/2013.
21070				0	9.88	FEB. PT 11/14/15 1/14/14 AJL HELD BY RENTAL PAID ON 10/29/2013.
21071				0	436	FEB. PT 11/14/15 WRN PORTION OF TRACT IS CONSIDERED DISPUTED WATERBOTTOMS 1/14/14 AJL HELD BY RENTAL PAID ON 10/17/2013.
21073				0	44.06	FEB. PT 11/14/15 1/14/14 AJL HELD BY RENTAL PAID ON 10/29/2013.
21075				0	114.44	FEB. PT 11/14/15 1/14/14 AJL HELD BY RENTAL PAID ON 10/29/2013.



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Staff Reviews

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District Code 2 Lafayette

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Lease Num	DA	Field	Latest Lease Activity	Productive Average	Present Average	Flagged for Review if:
00301A	1	CAILLOU ISLAND	23-23 A-D RA SUA;SL 301 05/07/2013 411-BBBBB 13-204	120	515.74	FEB. AR 1/14/14 AW HBP OF LEASE WELL; 1 PRODUCING WELL
01392		DUCK LAKE	DL OPERC 2 RA SU	1562.5	1562.5	FEB. AR 1/14/14 AW HBP IN 5 UNITS (ROB 8 RA VU, OPERC 2 RA SU, OPERC 6 RA SU, OPERC 7 RA SU, & OPERC 8 RA SU) 16 PRODUCING WELLS
01536		EUGENE ISLAND BLOCK 18	SL 16988 04/01/2004 302-N-4 SUP	1387.469	1387.469	FEB. AR 1/14/14 AW HBP IN 3 UNITS (S2 RA SU, K RB SU, & AA RD SUA) & LEASE WELLS 6 PRODUCING WELLS
14157		SHIP SHOAL BLOCK 45	263.368 12/28/1998	234.612	234.612	FEB. AR 1/14/14 AW HBP IN 1 UNIT (VUA) 3 PRODUCING WELLS
14832		SHIP SHOAL BLOCK 47		318.22	318.22	FEB. AR 1/14/14 AW HBP OF LEASE WELL 1 PRODUCING WELL
14905		SOUTH TIMBALIER BLOCK 8	15100 RA VUA;SL 14905	65.302	65.302	FEB. 1/14/14 AW PREV. REVIEWED 6/2013; HBP IN 1 UNIT (15100 RA VUA; SL 14905). FM STATUS ENDED OCT. 2013, REC. REVIEW IN 4 MONTHS IF OCT./NOV. REPORTS AREN'T IN SOON. 2 PRODUCING WELLS
14914		MYETTE POINT, NW	241212-VUB;SL 14914-003 05/22/2010	485.996	485.996	FEB. AR 1/14/14 AW HBP IN 1 UNIT (VUB; SL 14914) 1 PRODUCING WELL
14915		MYETTE POINT, NW	VUB;SL 14914 11/14/2001	121.059	121.059	FEB. AR 1/14/14 AW HBP IN 1 UNIT (VUB; SL 14914) 1 PRODUCING WELL
14953		MYETTE POINT, NW	VUB;SL 14914 11/14/2001	82.645	82.645	FEB. AR 1/14/14 AW HBP IN 1 UNIT (VUB; SL 14914) 1 PRODUCING WELL
14954		MYETTE POINT, NW	VUB;SL 14914 11/14/2001	123.967	123.967	FEB. AR 1/14/14 AW HBP IN 1 UNIT (VUB; SL 14914) 1 PRODUCING WELL
16859		MYETTE POINT, NW	538.904 01/09/2003	55.096	55.096	FEB. AR 1/14/14 AW HBP IN 1 UNIT (VUB; SL 14914) 1 PRODUCING WELL
16942		LAKE PELTO	230733-SL 16942-001 02/23/2005	350	350	FEB. AR 1/14/14 AW HBP IN 1 UNIT (VUB; SL 16970) 1 PRODUCING WELL
16943		LAKE PELTO	VUB;SL 16970 12/12/2001	25	25	FEB. AR 1/14/14 AW HBP IN 1 UNIT (VUB; SL 16970) 1 PRODUCING WELL
17309		SHIP SHOAL BLOCK 67		279.97	279.97	FEB. 1/14/14 AW ALREADY REVIEWED 6/20/13; IN FM STATUS, REC'D EXTEN. TO 1/8/14; CHARLES SAID STONE HAS GOTTEN LEASE BACK ON PRODUCTION; CHECK IN JUNE FOR PROD.



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

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Lease Num	DYA	State	Latest Lease Activity	Productive Acreage	Present Acreage	Trigger for Review If
17315		BROUSSARD	8.67 04/09/2007	2.33	2.33	FEB. AR 1/14/14 AW HBP IN 1 UNIT (BOL M3 RL SUA) 1 PRODUCING WELL
17647		PATTERSON	DB 3 RG SUA;SHADYSIDE CO LTD 07/12/2011 395-AA-7 11-378	8	19.882	FEB. AR 1/14/14 AW HBP IN 1 UNIT (DB-3 RG SUA); NONPRODUCTION IN OTHER UNITS RESULTING IN NEW NET PRODUCTIVE ACREAGE 1 PRODUCING WELL
17729		CAILLOU ISLAND		395.81	395.81	FEB. AR 1/14/14 AW PREVIOUSLY REVIEWED AUGUST 2013; HBP OF LEASE WELL 1 PRODUCING WELL
18060		MERMENTAU, WEST	76.775 04/26/2006	.85	.85	FEB. AR 1/14/14 MLS AR, LEASE HELD BY PRODUCTION FROM THE UNIT U BOL M RA SUA;J B FARM
19261		EUGENE ISLAND BLOCK 6	SL 18860 02/13/2008	51.65	51.65	FEB. AR 1/14/14 AW HBP IN 1 UNIT (VUA; SL 18860) 1 PRODUCING WELL
19727		DONNER	1.246 08/31/2011	3.754	3.754	FEB. AR 1/14/14 AW HBP IN 1 UNIT (ROBU L RC SUA) 1 PRODUCING WELL
19915				0	11.4	FEB. 1/14/14 AW THIS LEASE HAS EXPIRED PER ROUTE SHEET DATED 1/3/12.
20526		ATCHAFALAYA BAY	VUA;SL 20035 08/10/2011	143.14	143.14	FEB. PT 1/12/14 ATCHAFALAYA DELTA WMA 2/10/14 AW ROUTE SHEET SL HAS NOT EXPIRED, HBP IN THE VUA SL 20035
20527		ATCHAFALAYA BAY	VUA;SL 20035 08/10/2011	254.24	254.24	FEB. ATCHAFALAYA DELTA WMA 2/10/14 AW ROUTE SHEET SL HAS NOT EXPIRED, HBP VUA; SL 20035
20528		ATCHAFALAYA BAY	VUA; 12/14/2011	303.48	498.63	FEB. ATCHAFALAYA DELTA WMA 2/10/14 AW SL PARTIALLY EXPIRED NEED RELEASE FOR 195.15 ACRES;;
20529		ATCHAFALAYA BAY	VUA; 12/14/2011	636.62	746.14	FEB. ATCHAFALAYA DELTA WMA 2/10/14 AW ROUTE SHEET SL PARTIALLY EXPIRED NEED RELEASE OF 96.71 ACRES HELD BY CASTEX ENERGY VUA
20530		ATCHAFALAYA BAY	VUA; 12/14/2011	117.13	198.19	FEB. DD & PT 1/12/14 ATCHAFALAYA DELTA WMA 2/10/14 AW SL PARTIALLY EXPIRED, NEED RELEASE OF 81.06 ACRES
20774				0	215.44	FEB. PT 11/9/16 1/14/14 AW RENTAL PAYMENT MADE 10/3/13 FOR PERIOD 11/9/13 TO 11/9/14
21099				0	181	FEB. PT 1/9/16 2/10/14 AW ROUTE SHEET SL HAS NOT EXP. RENTAL PAYMENT MADE



Louisiana Department of Natural Resources (DNR)

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**Staff Reviews**

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Get Review Date        **February 12, 2014**

<i>Lease Num</i>	<i>DA</i>	<i>Field</i>	<i>Latest lease Activity</i>	<i>Productive Average</i>	<i>Present Average</i>	<i>Flagged for Review to</i>
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12/10/13 FOR 1/9/14 THRU 1/9/15





Louisiana Department of Natural Resources (DNR)

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Staff Reviews

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District Code 3 Lake Charles- North

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Case No.	District	Initials	Latest Lease Activity	Productive Acres	Present Acres	Triggered for Review
02260			CADDO PINE ISLAND	190	190	FEB AR 1/14/14 SKR AR - HBP 3 UNITS 49 PRODUCING WELLS
02310			CADDO PINE ISLAND	40	40	FEB. AR 1/14/14 SKR AR - HBP 1 UNIT 12 PRODUCING WELLS
05978			ELM GROVE HA RA SU99;KNIGHTON ETAL 11 10/20/2009 361-L-64	62	62	FEB. AR 1/14/14 SKR AR - HBP 9 UNITS 51 PRODUCING WELLS
06856			ELM GROVE HA RA SU118;MAGNOLIA POINT LANDS 38 H 05/04/2010 361-L-81 10-501	88.249	88.249	FEB. AR 1/14/14 SKR AR - 100% HBP 5 UNITS 8 PRODUCING WELLS
10100			COCODRIE LAKE VUA 03/01/1984	150	150	FEB. AR 1/14/14 SKR AR - 100% HBP FROM 2 PRODUCING VUA WELLS & 1 SL WELL
14617			CATAHOULA LAKE 200 11/19/1996	40	40	FEB AR 1/14/14 SKR AR - 100% HBP 1 UNIT 1PRODUCING WELL
14889			DANVILLE 219811-HOSS D SU83;SL 14889-001- ALT 11/11/1996	40	40	FEB. AR 1/14/14 SKR AR - 100% HBP 1 UNIT 1 PRODUCING WELL
15500			CHEMARD LAKE , RED RIVER-BULL BAYOU HA RA SUB;RUFFIN 7 H 04/28/2009 700-G 09-452	39	40	FEB. QR 1/14/14/ SKR QR - 100% HBP 3 UNITS 11 PRODUCING WELLS. 048572 RRBB LITTON RA SU POOR PRODUCTION. NEGATIVE REVENUE.
16326			SIMSBORO, WEST JA RA SUA;HYMON 12/07/1999 327-G 99-660	80	80	FEB. AR 1/14/14 SKR AR - 100% HBP 1 UNIT 1 PRODUCING WELL
17216			CASPIANA HA RA SU67;HERRING 32 H 03/03/2009 191-H-39 09-254	4.081	4.081	FEB. AR 1/14/14 SKR AR - 100% HBP 2 UNITS 15 PRODUCING WELLS
17217			CASPIANA HA RA SU67;HERRING 32 H 03/03/2009 191-H-39 09-254	93.087	93.087	FEB. AR 1/14/14 SKR AR - 100% HBP 5 UNITS 19 PRODUCING WELLS
17948			THORN LAKE HA RA SUI;REX YOUNG 6 H 12/09/2008 1145-B-7 08-1738	17.35	17.35	FEB. AR 1/14/14 SKR AR - 100% HBP 4 UNITS 8 PRODUCING WELLS
18183			CONVERSE HA RA SUC;BSM 31 H 04/07/2009 501-G 09-376	7.61	7.61	FEB. AR 1/14/14 SKR AR - 100% HBP 1 UNIT 1 PRODUCING WELL
18391			ELM GROVE HA RA SU11;CUPPLES H 01/06/2009 361-L-19 09-20	2.32	2.32	FEB. AR 1/14/14 SKR AR - 100% HBP 2 UNITS 19 PRODUCING WELLS
18393			CASPIANA HA RB SUH;CASPIANA 14-15-12 H 10/30/2008 191-H-25 08-1690	31.089	31.089	FEB. AR 1/14/14 SKR AR - 100% HBP 2 UNITS 9 PRODUCING WELLS



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Lease Num.	Dist	Lease Name	Lease Activity	Productive Acreage	Interest Acreage	Notes for Review
18394	CASPIANA	HA RB SUQ;RATZBURG 18 H 07/14/2009 191-H-53 09-774		82.598	82.598	FEB. AR 1/14/14 SKR AR - 100% HBP 2 UNITS 2 PRODUCING WELLS
18395	CASPIANA	HA RB SUA;CLD 23-15- 12 H 05/28/2008 191-H--6 08-729		8.953	8.953	FEB. AR 1/14/14/ SKR AR - 100% HBP 2 UNITS 4 PRODUCING WELLS
18605	CASPIANA	HA RB SUO;ZIMMERMAN 36- 15-12 H 12/09/2008 191-H-26 08-1817		12.94	12.94	FEB. AR 1/14/14 SKR AR - 100% HBP 9 UNITS 10 PRODUCING WELLS
18741	CASPIANA	HA RA SU139;GUY FARMS 9 H 12/01/2009 191-H-71 09-1242		12	12	FEB. AR 1/14/14 SKR AR - 100% HBP 2 UNITS 2 PRODUCING WELLS
18820	THORN LAKE	HA RA SUB;LA WILDLIFE 05/20/2010 1145-B-32 10-515		308.2	308.2	FEB. AR SAL OMR MANAGED WLF 1/14/14 SKR AR - 100% HBP 1 UNIT 1PRODUCING WELL
19180	CASPIANA , THORN LAKE	HA RA SU117;CHK MIN 16-14-12 H 03/15/2011 191-H-131 11-117		1	1	FEB. AR 1/14/14 SKR AR - 100% HBP 3 UNITS 4 PRODUCING WELLS
19756	ELM GROVE , SLIGO	9 01/30/2012		20.38	20.38	FEB. AR 1/14/14 SKR AR - 100% HBP 3 UNITS 3 PRODUCING WELLS
19845	BENSON , CONVERSE	HA RA SUU;BSMC 14- 23 H 08/04/2009 496-L-5 09-848		43.678	95	FEB. AR 1/14/14 SKR AR - PARTIALLY HBP 2 UNITS 2 PRODUCING WELLS. WAITING ON SURVEY PLAT TO DETERMINE ACREAGE FOR PR.
20186	CASPIANA	HA RB SUG;LEGRAND 35-15-12H 05/28/2008 191-H-6		93.552	93.552	FEB. AR VACANT STATE LAND 1/14/14 SKR AR - 100% HBP 2 UNITS 3 PRODUCING WELLS
20260	TRENTON	HA RA SUBB;BEDSOLE 21-12- 13 H 05/12/2009 1199-E-6		6	6	FEB. AR 1/14/14 SKR AR - 100% HBP 1 UNIT 1 PRODUCING WELL
20788	ALABAMA BEND	HA RA SUV;BURKETT 5-15-10 H 03/16/2010 1490-C-9 10-274		8.95	8.95	FEB. AR PT 11/9/14 VACANT LANDS 1/14/14 SKR AR - 100% HBP 1 UNIT 8 PRODUCING WELL
21056				0	25	FEB PT 11/14/15 1/14/14 SKR RENTAL PAID 2014 (TO 11/14/2015)
21074				0	1	FEB. PT 11/14/15 TAX ADJUDICATED 1/14/14 SKR RENTAL PAID TO 11/14/2015



# Louisiana Department of Natural Resources (DNR)

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## Staff Reviews

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District Code 3S Lake Charles- South

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LEASE Num	DA	Field	Last Lease Activity	Productive Acreage	Present Acreage	Flagged for Review
01466		KROTZ SPRINGS	6580 RA SUA;L VOORHIES C 10/01/1992	130	130	FEB. AR 1-14-14 MLS AR-LEASE HELD BY PRODUCTION FROM THE UNIT KZS SU;;
02344		KROTZ SPRINGS	127.43 06/09/1995	12.57	12.57	FEB. AR 1/14/14 MLS AR, LEASE HELD BY PRODUCTION FROM THE UNIT KZS SU
02669		RAYNE	RY NOD A RA SU 04/01/1996	18	18	FEB. AR 1/14/14 MLS AR, NO ROYALTIES ARE ASSOCIATED WITH THIS LEASE FOR 2013, HOWEVER LUW INDICATES PRODUCTION
13420		STARKS, WEST	5.403 08/10/2004	1.699	1.699	FEB. AR 1/14/14 MLS AR, LEASE HELD BY PRODUCTION FROM THE UNITS D RA SUA AND WST Y1 RA SU
16995		INTRACOASTAL CITY	74.023 11/15/2011	86.947	86.947	FEB. AR 1/14/14 MLS AR, LEASE HELD BY PRODUCTION FROM THE UNIT K-O RB SUA;EXXONMOBIL
17208		INTRACOASTAL CITY	35.841 11/15/2011	1.691	1.691	FEB. AR 1/14/14 MLS AR, LEASE HELD BY PRODUCTION FROM THE UNIT K-O RB SUA;EXXONMOBIL
17226		INTRACOASTAL CITY	31.329 11/15/2011	10.831	10.831	FEB. AR 1/14/14 MLS AR, LEASE HELD BY PRODUCTION FROM THE UNIT K-O RB SUA;EXXONMOBIL
18524		CREOLE OFFSHORE	247110-VUB;SL 18524-001 10/15/2013	80.17	80.17	FEB. AR 1/14/14 MLS AR, LEASE HELD BY PRODUCTION FROM 2 UNITS BOTH NAMED VUB
19067		SABINE LAKE	243923-SL 19067-002 10/08/2011	972.19	1104.07	FEB. AR 1/14/14 MLS AR, LEASE HELD BY PRODUCTION FROM THE UNIT VUA;SL 19067. A ROUTE SHEET WAS DONE FOR A PARTIAL RELEASE.
19068		SABINE LAKE	VUA;SL 19068 09/14/2011	599.38	599.38	FEB. AR 1/14/14 MLS AR, LEASE HELD BY PRODUCTION FROM THE UNIT VUA;SL 19067
19640		INTRACOASTAL CITY	83.873 05/08/2012	148.127	148.127	FEB. AR 1/14/14 MLS AR, LEASE HELD BY PRODUCTION FROM THE UNIT K-O RB SUA;EXXONMOBIL
19641		INTRACOASTAL CITY	K-O RB SUA;EXXONMOBIL 07/18/2011 468-L-1 10-930	16.831	16.831	FEB. AR 1/14/14 MLS AR, LEASE HELD BY PRODUCTION FROM THE UNIT K-O RB SUA;EXXONMOBIL
20738		PILGRIM CHURCH	L WX RA SUA;BEL MINERALS 18 01/24/2012 414-B 12-50	8.24	53	FEB. PT 9/14/14 1/14/14 MLS PARTIAL RELEASE REQUESTED ON 9-26-13 ON NON PRODUCTIVE ACREAGE. FLAGGED FOR A QTR REVIEW
21057				0	14	FEB. PT 11/14/15 1/14/14 MLS AR, LEASE HELD BY RENTAL PAYMENT, LEASE STILL IN



Louisiana Department of Natural Resources (DNR)

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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
102				13,844.634	20,729.070	PRIMARY TERM.

**BOBBY JINDAL**  
GOVERNOR



**STEPHEN CHUSTZ**  
SECRETARY

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

***NOMINATION AND TRACT COMMITTEE REPORT***

The Nomination and Tract Committee, convened at **2:07 p.m.** on Wednesday, **February 26, 2014** with the following members of the Board in attendance:

Mr. Stephen Chustz	Mr. Emile B. Cordaro	Mr. Thomas L. Arnold, Jr.
Mr. Dan R. Brouillette	Mr. Thomas W. Sanders	Mr. Paul Segura, Jr.
Mr. Theodore M. Haik, Jr.		Mr. Chip Kline (Gov. Jindal's Designee)

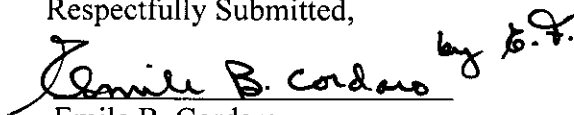
The Committee heard the report of Mr. Emile Fontenot, relative to nominations received for the April 9, 2014 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Chustz**, duly seconded by **Mr. Brouillette**, the Committee voted unanimously to recommend to 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 Letter of Protest was received from Miami Corporation dated January 2, 2014, pertaining to Tract No. 43756, Cameron Parish, Louisiana.

A Letter of Protest was received from Edward Wisner Donation Trust dated January 7, 2014, pertaining to Tract Nos. 43782 and 43783, Lafourche Parish, Louisiana.

The Committee, on the motion of **Mr. Chustz**, seconded by **Mr. Segura**, voted to adjourn at **2:10 p.m.**

Respectfully Submitted,

Handwritten signature of Emile B. Cordaro in black ink, with the initials "E.B.C." written above the signature.

Emile B. Cordaro  
Chairman  
Nomination and Tract Committee

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## NOMINATION AND TRACT COMMITTEE

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

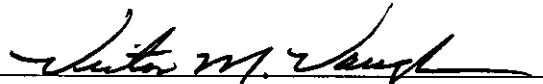
**WHEREAS**, Mr. Emile Fontenot presented to the State Mineral and Energy Board that 44 tracts had been nominated for the April 9, 2014 Mineral Lease Sale, and that same are to be advertised pending staff review; now therefore

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

**NOW, BE IT THEREFORE RESOLVED**, that the State Mineral and Energy Board does hereby approve and authorize the advertising of all such tracts as have been reviewed by the State Land Office and the staff of the Office of Mineral Resources, as well as any tracts that have been previously advertised and rolled over, and to otherwise approve the Nomination and Tract Report presented by Mr. Heck and Mr. Fontenot.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 26th day of February 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

**BOBBY JINDAL**  
GOVERNOR



**STEPHEN CHUSTZ**  
SECRETARY

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

**AUDIT COMMITTEE REPORT**

Due to a lack in quorum, the regular meeting of the Audit Committee of the State Mineral and Energy Board was cancelled on Wednesday, February 12, 2014, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana. The Committee Members present were:

Thomas L. Arnold, Jr.  
Dan R. Brouillette

Stephen Chustz  
W. Paul Segura, Jr.

Since a quorum of 6 is required Mr. Segura announced the cancellation and stated to check the DNR website as the meeting may be rescheduled for next week.

A handwritten signature in cursive script, reading "Thomas L. Arnold, Jr.", written over a horizontal line.

Thomas L. Arnold, Jr., Chairman  
Audit Committee



**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, February 26, 2014, 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.  
Dan R. Brouillette  
Stephen Chustz

Emile B. Cordaro  
Theodore M. "Ted" Haik, Jr.  
Chip Kline

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

Mr. Thomas L. Arnold, Jr. convened the Committee at 2:10 p.m.

The first matter considered by the Committee was a penalty waiver request from Harvest Group, LLC.

Staff recommended that no penalty be waived. Mr. Daniel Douglas, representing Harvest Group LLC, addressed the Board to request a 100% penalty waiver of \$166,263.50. Upon motion of Mr. Cordaro, seconded by Mr. Segura, the Committee voted unanimously to approve a 50% penalty waiver of \$83,131.75.

*Justification: Since the outstanding royalty is on refunded severance tax payments of which the majority falls within the 3-6 year range, a motion for a 50% reduction was made thereby resembling Penalty Waiver Protocol.*

The second matter considered by the Committee was a penalty waiver request from Southwestern Energy Production Co.

Upon recommendation of the staff and upon motion of Mr. Sanders, seconded by Mr. Brouillette, the Committee voted unanimously to approve the 75% penalty waiver of \$8,699.67.




The third matter considered by the Committee was a penalty waiver request from Brigham Oil and Gas, LP.

Upon recommendation of the staff and upon motion of Mr. Smith, seconded by Mr. Sanders, the Committee voted unanimously to approve the 100% penalty waiver of \$20,566.13.

The fourth matter considered by the Committee was the election of the February 2014 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. Smith, seconded by Mr. Sanders, the Board voted unanimously to adjourn the Audit Committee at 2:34 p.m.

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

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## AUDIT COMMITTEE

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

**WHEREAS**, Harvest Group, LLC has made a letter application for reduction of penalties assessed in the amount of \$166,263.50 due to late royalty payments in Breton Sound Block 18 (1880), Breton Sound Block 32 (1904), Breton Sound Block 51 (1938), Little Bay (6044), and Main Pass Block 25 (6363); State Leases 1227, 5097, 16432, 16442, 16543, 16594, 16692, 16819, and 16890; and

**WHEREAS**, the Mineral Income Division has verified that the underpayment of royalties was discovered and paid by Harvest Group, LLC.

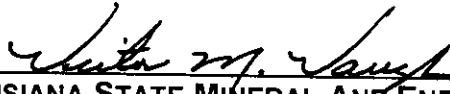
**WHEREAS**, the Mineral Income Division staff recommends that no penalty be waived based upon Penalty Waiver Protocol, and

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

**THEREFORE, BE IT RESOLVED** that the Board does waive fifty percent (50%), which amounts to \$83,131.75 of the total penalty assessed to Harvest Group, LLC.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana on the 26<sup>th</sup> day of February 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.

  
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LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### AUDIT COMMITTEE

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

**WHEREAS**, the State Mineral and Energy Board caused an audit to be performed of Southwestern Energy Production Co. payments of state royalty in the Lake Verret and Riverton field; State Leases 16625, 16626, A0287, and A0288 which audit revealed that Southwestern Energy Production Co. owed the state \$31,049.45 in underpayment of royalty and \$29,481.47 in interest and penalty for a total of \$60,530.92; and

**WHEREAS**, Southwestern Energy Production Co. has remitted payment of \$48,931.36 for the outstanding principal and interest; and

**WHEREAS**, Southwestern Energy Production Co. has made a letter application for reduction of penalties assessed in the amount of \$11,599.56 due to incorrect royalty payments; and

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

**WHEREAS**, the Mineral Income Division staff recommends that a seventy-five percent (75%) of the penalty be waived; and

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

**THEREFORE, BE IT RESOLVED** that the Board does waive a seventy-five percent (75%), which amounts to \$8,699.67 of the total penalty assessed to Southwestern Energy Production Co..

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana on the 12<sup>th</sup> day of February 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
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LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### AUDIT COMMITTEE

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

**WHEREAS**, the State Mineral and Energy Board caused an audit to be performed of Brigham Oil & Gas, LP payments of state royalty in Chandeleur Sound Block 68 Field; State Lease 19312 which audit revealed that Brigham Oil & Gas, LP owed the state \$76,345.81 in underpayment of royalty and \$30,581.89 in interest and penalty for a total of \$106,927.70; and

**WHEREAS**, Brigham Oil & Gas, LP has remitted payment of \$86,361.57 for the outstanding principal and interest; and

**WHEREAS**, Brigham Oil & Gas, LP has made a letter application for reduction of penalties assessed in the amount of \$20,566.13 due to incorrect royalty payments; and

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

**WHEREAS**, the Mineral Income Division staff recommends that one hundred percent (100%) of the penalty be waived; and

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

**THEREFORE, BE IT RESOLVED** that the Board does waive one hundred percent (100%), which amounts to \$20,566.13 of the total penalty assessed to Brigham Oil & Gas, LP.

### 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 26<sup>th</sup> day of February 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
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LOUISIANA STATE MINERAL AND ENERGY BOARD



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

**LEGAL AND TITLE CONTROVERSY COMMITTEE REPORT**

The regular meeting of the Legal and Title Controversy Committee of the State Mineral and Energy Board was held on February 26, 2014, following the Audit Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Secretary Stephen Chustz  
Mr. Emile B. Cordaro  
Mr. Darryl David Smith  
Mr. Dan R. Brouillette  
Mr. Theodore M. "Ted" Haik, Jr.

Mr. Thomas W. Sanders  
Mr. W. Paul Segura, Jr.  
Mr. Thomas L. Arnold, Jr.  
Mr. Chip Kline  
*(Governor Bobby Jindal's Designee)*

The Legal and Title Controversy Committee was called to order by Mr. Sanders at 2:34 p.m.

The first matter considered by the Committee was request for final approval of a Settlement Agreement and Mutual Release by and between the State of Louisiana through the State Mineral and Energy Board, The Allbritton Cattle Company, LLC, et al and Leon K. Poche, et al, whereas said parties desire to settle all claims, issues and defenses, affecting the State's mineral royalty interests in the bed and bottoms of Rolling Lake Bayou, that lie within Section 8, Township 13 North, Range 11 West, affecting State Lease Nos. 19125 and 19832, DeSoto and Red River Parishes, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 14-6.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Kline, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant final approval of the Settlement Agreement and Mutual Release by and between the State of Louisiana through the State Mineral and Energy Board, The Allbritton Cattle Company, LLC, et al and Leon K. Poche, et al, on the docket as Item No. 14-6. No comments were made by the public.

The second matter considered by the Committee was a request by QEP Energy Company for authority to negotiate with Staff for an Operating Agreement covering approximately 600 acres of title disputed lands located in Sections 12, 13 and 14, Township 14 North, Range 12 West, Red River Parish, Louisiana, until May 12, 2014 or until an operating agreement is perfected and placed on the Mineral and Energy Board Docket for approval, whichever occurs first.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Brouillette, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant QEP Energy Company the authority to negotiate with Staff for an Operating Agreement covering approximately 600 acres of title disputed lands located in Sections 12, 13 and 14, Township 14 North, Range 12 West, Red River Parish, Louisiana, until May 12, 2014 or until an operating agreement is effected and placed on the Mineral and Energy Board Docket for approval, whichever occurs first. No comments were made by the public.

The third matter considered by the Committee was a request by Staff to direct Petrohawk Properties, LP to take the funds presently in Escrow Account at JPMorgan Chase Bank and re-deposit said funds and any future royalty revenue attributable to the said disputed acreage in the registry of the court under the following case: Chesapeake Louisiana, L.P. vs. The State Mineral and Energy Board of Louisiana et al, Docket No. 35525, 39<sup>th</sup> Judicial District Court, Red River Parish, Louisiana. Such deposit shall be accomplished by way of Petrohawk Properties, LP, filing a concursus proceeding in an intervention, reconventional, or third party demand within the previously-noted Chesapeake lawsuit. A prior Board resolution dated April 11, 2012 directed that the disputed funds attributable to production to Tract 5 of the HA RB SUVV; Wellman 20-13-11 H-1, in Section 20, Township 13 North, Range 11 West, located in Thorn Lake Field, Red River Parish, Louisiana be held in escrow with no end date. The present request is to redirect funds held presently in the named account and any future royalty funds attributable to the disputed acreage into the registry of the court, pending outcome of litigation or settlement.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant Staff the authority to direct Petrohawk Properties LP to re-deposit the aforementioned funds into the Registry of the Court as specified above. No comments were made by the public.

The fourth matter being considered by the Committee was a request by Castex Energy, Inc. to amend State Lease No. 17895, whereas to include an oil shut-in provision and other language in our current lease form not included in State Lease No. 17895.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Cordaro, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant Castex Energy, Inc. the authority to amend State Lease No. 17895, to include an oil shut-in provision and other language in our current lease form not included in State Lease No. 17895. No comments were made by the public.

The fifth matter considered by the Committee was a request by Staff asking the Board to rescind a Resolution passed on May 14, 2008 authorizing the allocation of funds derived from mineral exploration on Section 16, Township 22 South, previously

erroneously marked as T225, Range 18 East and also erroneously granting the mineral revenues to Veazey and Associates LLC.

Upon recommendation of the staff and upon motion of Mr. Smith, seconded by Mr. Segura, the Committee voted unanimously to recommend that the State Mineral and Energy Board rescind a Resolution passed on May 14, 2008 authorizing the allocation of funds derived from mineral exploration on Section 16, Township 22 South, previously erroneously marked as T225, Range 18 East and also erroneously granting the mineral revenues to Veazey and Associates LLC. No comments were made by the public.

The sixth matter considered by the Committee was a request by Staff for the adoption of a Resolution by the State Mineral and Energy Board approving that the chair of the Board has authority to issue for the Governor the call of a meeting of the Board when those special or impractical circumstances contemplated in Executive Order No. BJ-2008-31 arise and when the Board does not have the opportunity to meet and approve of such authorization.

Upon recommendation of the staff and upon motion of Mr. Chustz, seconded by Mr. Kline, the Committee voted unanimously to recommend that the State Mineral and Energy Board adopt a resolution by the State Mineral and Energy Board approving that the Chair of the Board has authority to issue for the Governor the call of a meeting of the Board when those special or impractical circumstances contemplated in Executive Order No. BJ-2008-31 arise and when the Board does not have the opportunity to meet and approve of such authorization. No comments were made by the public.

Upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to go into Executive Session at 2:50 P.M.

Upon motion of Mr. Arnold, seconded by Mr. Segura, the Committee voted unanimously to return to Open Session at 3:14 P.M.

The seventh matter considered by the Committee was a discussion in executive session of the suit entitled: Phillip E. Henderson, et al v The State Mineral and Energy Board of Louisiana, Docket No. 627,902, 19<sup>th</sup> Judicial District Court, Parish of East Baton Rouge, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Segura, seconded by Mr. Brouillette, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant the Attorney General the authority to enter into a consent judgment as discussed in executive session. No comments were made by the public.

The eighth matter considered by the Committee was a discussion in executive session of the suit entitled: Earl Willard Cook, Hope Henry Cook, Billy Cook, and Van R. Cook v. The State of Louisiana, through the Louisiana State Land Office; John Lavin,

Director of Louisiana State Lands Office and Petrohawk Properties, L.P., Docket No. C-137192, 26th JDC, Parish of Bossier, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Smith, the Committee voted unanimously to recommend that the State Mineral and Energy Board reject the settlement offer and give the Attorney General authority to negotiate further settlement. No comments were made by the public.

Upon motion of Mr. Arnold, seconded by Mr. Smith, the Legal and Title Controversy Committee meeting adjourned at 3:16 p.m.

*Thomas W. Sanders* by *E.F.*

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

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



# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## LEGAL AND TITLE CONTROVERSY COMMITTEE

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

**WHEREAS**, a request was made for final approval of a Settlement Agreement and Mutual Release by and between the State of Louisiana through the State Mineral and Energy Board, The Allbritton Cattle Company, LLC, et al and Leon K. Poche, et al, whereas said parties desire to settle all claims, issues and defenses, affecting the State's mineral royalty interests in the bed and bottoms of Rolling Lake Bayou, that lie within Section 8, Township 13 North, Range 11 West, affecting State Lease Nos. 19125 and 19832, DeSoto and Red River Parishes, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 14-6;

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

**NOW, BE IT THEREFORE RESOLVED** that the Committee recommends that the State Mineral and Energy Board grant final approval of the Settlement Agreement and Mutual Release by and between the State of Louisiana through the State Mineral and Energy Board, The Allbritton Cattle Company, LLC, et al and Leon K. Poche, et al, on the docket as Item No. 14-6.

## 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 26th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.

  
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LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## LEGAL AND TITLE CONTROVERSY COMMITTEE

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

**WHEREAS**, a request was made by QEP Energy Company for authority to negotiate with Staff for an Operating Agreement covering approximately 600 acres of title disputed lands located in Sections 12, 13 and 14, Township 14 North, Range 12 West, Red River Parish, Louisiana, until May 12, 2014 or until an operating agreement is confected and placed on the Mineral and Energy Board Docket for approval, whichever occurs first;

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

**NOW, BE IT THEREFORE RESOLVED**, that the Committee recommends that the State Mineral and Energy Board grant QEP Energy Company the authority to negotiate with Staff for an Operating Agreement covering approximately 600 acres of title disputed lands located in Sections 12, 13 and 14, Township 14 North, Range 12 West, Red River Parish, Louisiana, until May 12, 2014 or until an operating agreement is confected and placed on the Mineral and Energy Board Docket for approval, whichever occurs first.

## 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 26th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.

  
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LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## LEGAL AND TITLE CONTROVERSY COMMITTEE

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

**WHEREAS**, a request was made by Staff to direct Petrohawk Properties, LP to take the funds presently in Escrow Account at JPMorgan Chase Bank and re-deposit said funds and any future royalty revenue attributable to the said disputed acreage in the registry of the court under the following case: Chesapeake Louisiana, L.P. vs. The State Mineral and Energy Board of Louisiana et al, Docket No. 35525, 39<sup>th</sup> Judicial District Court, Red River Parish, Louisiana. Such deposit shall be accomplished by way of Petrohawk Properties, LP, filing a concursus proceeding in an intervention, reconventional, or third party demand within the previously-noted Chesapeake lawsuit. A prior Board resolution dated April 11, 2012 directed that the disputed funds attributable to production to Tract 5 of the HA RB SUVV; Wellman 20-13-11 H-1, in Section 20, Township 13 North, Range 11 West, located in Thorn Lake Field, Red River Parish, Louisiana be held in escrow with no end date. The present request is to redirect funds held presently in the named account and any future royalty funds attributable to the disputed acreage into the registry of the court, pending outcome of litigation or settlement;

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

**NOW, BE IT THEREFORE RESOLVED**, that the Committee recommends that the State Mineral and Energy Board grant Staff the authority to direct Petrohawk Properties LP to re-deposit the aforementioned funds into the Registry of the Court as specified above.

## 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 26th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.

  
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LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## LEGAL AND TITLE CONTROVERSY COMMITTEE

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

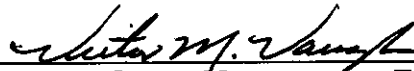
**WHEREAS**, a request was made by Castex Energy, Inc. to amend State Lease No. 17895, whereas to include an oil shut-in provision and other language in our current lease form not included in State Lease No. 17895;

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

**NOW, BE IT THEREFORE RESOLVED** that the Committee recommends that the State Mineral and Energy Board grant Castex Energy, Inc. authority to amend State Lease No. 17895, to include an oil shut-in provision and other language in our current lease form not included in State Lease No. 17895.

## 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 26th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



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LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## LEGAL AND TITLE CONTROVERSY COMMITTEE

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

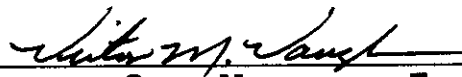
**WHEREAS**, a request was made by Staff asking the Board to rescind a Resolution passed on May 14, 2008 authorizing the allocation of funds derived from mineral exploration on Section 16, Township 22 South, previously erroneously marked as T225, Range 18 East and also erroneously granting the mineral revenues to Veazey and Associates LLC;

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

**NOW, BE IT THEREFORE RESOLVED** that the Committee recommends that the State Mineral and Energy Board rescind a Resolution passed on May 14, 2008 authorizing the allocation of funds derived from mineral exploration on Section 16, Township 22 South, previously erroneously marked as T225, Range 18 East and also erroneously granting the mineral revenues to Veazey and Associates LLC.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 26th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



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LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### LEGAL AND TITLE CONTROVERSY COMMITTEE

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

**WHEREAS**, the Louisiana State Mineral and Energy Board, created and established by Act No. 93 of the 1936 Regular Legislative Session, R.S. 30:121, et seq., meets at the Call of the Governor pursuant to the provisions of R.S. 30:123; and

**WHEREAS**, the customary meeting schedule for the State Mineral Board is impracticable at times, due to holidays, special events, and/or special circumstances; and

**WHEREAS**, by Executive Order, BJ-2008-31 (Call of Meetings of the State Mineral Board), **Bobby Jindal**, Governor of the State of Louisiana, by virtue of the authority vested in him by the Constitution and laws of the State of Louisiana, did order and direct as follows:

**SECTION 1:** The regular scheduled meetings of the State Mineral Board (hereafter "Board") shall be held on the second Wednesday of each month for the granting of oil, gas, and mineral leases, and such other business as may properly come before the Board.

**SECTION 2:** Upon obtaining the approval of the Board, the chair of the Board is authorized to issue for the Governor the call of a meeting of the Board scheduled for a date other than the second Wednesday of a month, when a meeting on the second Wednesday is impracticable because a holiday or other special event falls on that date.

**SECTION 3:** Upon obtaining the approval of the Board, the Chair of the Board is authorized to issue for the Governor the call of a meeting of the Board that is in addition to the Board's monthly meeting, when special circumstances necessitate that an additional meeting be held.

**SECTION 4:** All departments, commissions, boards, offices, entities, agencies, and officers of the State of Louisiana, or any political subdivision thereof, are authorized and directed to cooperate with the Board in implementing the provisions of this Order.

**SECTION 5:** This Order is effective upon signature and shall continue in effect until amended, modified, terminated, or rescinded by the Governor, or terminated by operation of law; and

**WHEREAS**, it is necessary and practical for the Chair of the Board to be authorized to issue for the Governor the call of a meeting of the Board when those special or impractical circumstances contemplated in Executive Order No. BJ-2008-31 arise and when the Board does not have the opportunity to meet and approve of such authorization;

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

**NOW, THEREFORE, BE IT RESOLVED**, that the Louisiana State Mineral and Energy Board, adopts this Resolution approving that the Chair of the Board has authority to issue for the Governor the call of a meeting of the Board when those special or impractical circumstances contemplated in Executive Order No. BJ-2008-31 arise and when the Board does not have the opportunity to meet and approve of such authorization.

### 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 26th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.

  
LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## LEGAL AND TITLE CONTROVERSY COMMITTEE

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

**WHEREAS**, a discussion in executive session of the suit entitled: Phillip E. Henderson, et al v The State Mineral and Energy Board of Louisiana, Docket No. 627,902, 19<sup>th</sup> Judicial District Court, Parish of East Baton Rouge, Louisiana;

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

**NOW, BE IT THEREFORE RESOLVED** that the Committee recommends that the State Mineral and Energy Board grant the Attorney General the authority to enter into a consent judgment as discussed in executive session.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 26th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.

  
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LOUISIANA STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## LEGAL AND TITLE CONTROVERSY COMMITTEE

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

**WHEREAS**, a discussion in executive session of the suit entitled: Earl Willard Cook, Hope Henry Cook, Billy Cook, and Van R. Cook v. The State of Louisiana, through the Louisiana State Land Office; John Lavin, Director of Louisiana State Lands Office and Petrohawk Properties, L.P., Docket No. C-137192, 26th JDC, Parish of Bossier, Louisiana;

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

**NOW, BE IT THEREFORE RESOLVED** that the Committee recommends that the State Mineral and Energy Board reject the settlement offer and give the Attorney General authority to negotiate further settlement.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 26th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.

  
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LOUISIANA STATE MINERAL AND ENERGY BOARD



**BOBBY JINDAL**  
GOVERNOR



**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 3:16 p.m. on Wednesday, February 26, 2014. Board Members present were Mr. Stephen Chustz, DNR Secretary, Mr. W. Paul Segura, Jr., Mr. Thomas L. Arnold, Jr., Mr. Emile Cordaro, Mr. Thomas W. Sanders, Mr. Darryl D. Smith, Mr. Theodore M. "Ted" Haik, Jr. and Chip Kline (Governor Jindal's designee to the State Mineral and Energy Board).

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 9; Docket No. 9 on page 5 would be approved subject to the approval of the Governor of Louisiana;

Approve Docket Item No. 14-5 on page 10;

Approve the following items upon recommendation of the Legal and Title Controversy Committee: Docket Item No. 14-06 on page 10.

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

There being no further business to come before the committee, upon motion of Mr. Sanders, and seconded by Mr. Kline, the committee voted unanimously to adjourn the meeting at 3:18 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Thomas L. Arnold, Jr." with a stylized flourish at the end.

Thomas L. Arnold, Jr.  
Docket Review Committee

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

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the February 26, 2014 Meeting be approved, said instrument being a State Agency Lease from the Cameron Parish School Board, dated November 12, 2013, awarded to Beta Land Services LLC, covering lands located in Section 16, Township 12 South, Range 5 West, Cameron Parish, Louisiana, containing 680 acres, more or less, with further contractual obligations being more enumerated in the instrument.

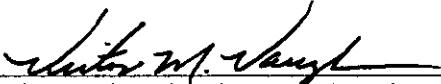
The State of Louisiana, through the State Mineral and Energy Board, asserts and claims title to the beds and bottoms of any navigable waterbed that may be located within the boundaries of the lands leased, and this approval shall not cover or extend to, or be construed as affecting the State's title 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 26th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
\_\_\_\_\_  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item B from the February 26, 2014 Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Union Parish School Board, dated December 9, 2013, awarded to Southwestern Energy Production Company, covering lands located in Section 15, Township 21 North, Range 1 East, Union Parish, Louisiana, containing 30.10 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 26th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the February 26, 2014 Meeting be approved, said instrument being an Assignment from US Oil & Gas, Inc. to Square Mile Energy, LLC, of all of Assignor's right, title and interest in and to State Lease No. 9637, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

Square Mile 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 26th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the February 26, 2014 Meeting be approved, said instrument being an Assignment from COG-EPCO 1992 Limited Liability Limited Partnership to Hilcorp Energy I, L.P., of all of Assignor's right, title and interest in and to State Lease No. 6121, West Baton Rouge 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 February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board

# RESOLUTION

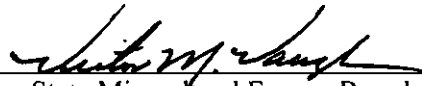
## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the February 26, 2014, Meeting be approved, said instrument being a Correction of Resolution No. 6 from the January 11, 2012 Meeting, being a Change of Name whereby Century Exploration New Orleans, Inc. is changing its name to Century Exploration New Orleans, LLC, whereas State Lease No. 19080 was omitted from said resolution and is hereby being added, affecting State Lease Nos. 3770, 12806, 15683, 16735, 16736, 16737, 16738, 17674, 17675, 17689, 17691, 17767, 17860, 17861, 17863, 17942, 17965, 18549, 18550, 19050, 19051, 19052, 19079, 19080, 19201, 19347, 19384, 19391, 19669, 19948 and 20423, Lafourche, Plaquemines and St. Charles 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 26th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the February 12, 2014 Meeting be approved, said instrument being an Assignment and Correction of Assignment from Burlington Resources Oil & Gas Company, LP, Inxco Oil Company and The Louisiana Land and Exploration Company LLC to Petro Harvester Acadian Holdings, LLC, of all of Assignor's right, title and interest in and to State Lease Nos 517, 13148, 18429 and Operating Agreement "A0284", Acadia, Evangeline and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the February 12, 2014 Meeting be approved, said instrument being an Assignment from PDP Energy Fund I, LP to Hilcorp Energy I, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 1480, 3258, 3599 and 14703, Lafourche and Cameron 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 February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board



# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the February 12, 2014 Meeting be approved, said instrument being an Assignment from ORX Exploration, Inc. to Freeport-McMoRan Oil & Gas LLC, of all of Assignor's right, title and interest in and to State Lease No. 21098, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12<sup>th</sup> day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 7 from the February 12, 2014 Meeting be approved, said instrument being an Assignment from C.T.R Oil, Inc to AJ & J Oil, Inc., of all of Assignor's right, title and interest in and to State Lease No 4477, Catahoula Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 8 from the February 12, 2014 Meeting be approved, said instrument being an Assignment from Manti Equity Partners, LP to Trek Resources, Inc., of all of Assignor's right, title and interest in and to State Lease No. 19502, East Feliciana Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 9 from the February 12, 2014 Meeting be approved, said instrument being an Assignment from BLG Resources, LLC and PDP Energy Fund I, LP to Krewe Energy, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 328 and 17416, Lafourche 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 February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10 from the February 12, 2014 Meeting be approved, said instrument being an Assignment from Tri-C Resources, LLC to Square Mile Energy, L.L.C., an undivided 50% of Assignor's right, title and interest in and to State Lease No. 21183, 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;

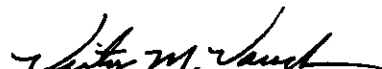
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11 from the February 12, 2014 Meeting be approved, said instrument being an Assignment from Square Mile Energy, L.L.C. to Tri-C Resources, LLC, an undivided 50% of Assignor's right, title and interest in and to State Lease Nos. 20936 and 21060, St. Charles Parish, Louisiana, with further particulars being stipulated in the instrument.

Tri-C Resources, LLC is designated as the joint account Lessee (contact person) of State Lease No. 20936 pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

Square Mile Energy, L.L.C. is designated as the joint account Lessee (contact person) of State Lease No. 21060 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 February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12 from the February 12, 2014 Meeting be approved, said instrument being an Assignment from Square Mile Energy, L.L.C. to Tri-C Resources, LLC, an undivided 50% of Assignor's right, title and interest in and to State Lease No. 20937, 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 February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 13 from the February 12, 2014 Meeting be approved, said instrument being an Assignment from Square Mile Energy, L.L.C. to Tri-C Resources, LLC, an undivided 50% of Assignor's right, title and interest in and to State Lease Nos. 21058 and 21059, 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 February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board



# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 14 from the February 12, 2014 Meeting be approved, said instrument being a Change of Name whereby Coronado Energy E & P Company, L.L.C. to Coronado Energy E&P Company, L.L.C., affecting State Lease Nos. 17126, 17734, 18245 and 18276, Bossier Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

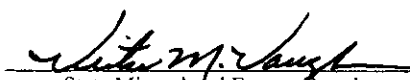
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 15 from the February 12, 2014 Meeting be approved, said instrument being a Change of Name whereby Coronado Energy E&P Company, L.L.C. is changing its name to EP Energy E&P Company, L.P., affecting State Lease Nos 17126, 17734, 18245 and 18276, Bossier Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 16 from the February 12, 2014 Meeting be approved, said instrument being an Assignment from EP Energy E&P Company, L.P. to Wildhorse Resources II, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 17126, 17734, 18245 and 18276, Bossier Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** to the depth restrictions described on Exhibit "A" for each lease, 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 February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17 from the February 12, 2014 Meeting be approved, said instrument being an Assignment from Square Mile Energy, L.L.C. to KiwiEnergy, Ltd., an undivided .0955130 interest in and to State Lease Nos. 20627 and 20645, Lafourche and St. Charles Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** the leases cover lands that lie within the boundaries of the August Contract Area, **AND** an undivided .1054742 interest in and to State Lease No. 20627, St. Charles Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease covers lands that lie within the boundaries of the Sawgrass Contract Area, 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.

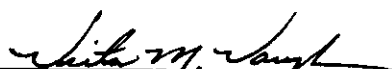
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 18 from the February 12, 2014 Meeting be approved, said instrument being an Assignment from Westgrove Energy Holdings, LLC, of all of Assignor's right, title and interest to the following in the proportions set out below

Walter Oil & Gas Corporation	67.50%
Discover E&P LLC	15.125%
RHS Enterprises, LLC	15.125%
LLOG Exploration Company, L.L.C.	2.25%

in and to State Lease Nos. 1212 and 20891, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12<sup>th</sup> day of February, 2014, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect

  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

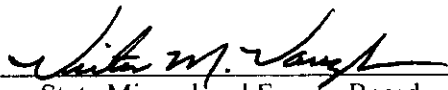
On motion of Mr. Sanders, seconded by Mr. Kline, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 14-05 from the February 26, 2014, Meeting be approved, said instrument being a Unitization Agreement by and between the State of Louisiana, through the State Mineral and Energy Board and Hilcorp Energy Company, et al, to create a 476.434 acre unit, identified as the "17 MKR-5 RA SU", West Delta Block 52 Field, Plaquemines Parish, Louisiana, with 154.57 acres being attributable to State Lease No. 451, 158.247 acres being attributable to State Lease No. 20484 and the remaining acreage being attributable to private ownership, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 26th day of February, 2014 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
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State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

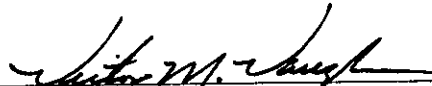
On motion of Mr. Sanders, seconded by Mr. Kline, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 14-06 from the February 26, 2014, Meeting be approved, said instrument being a Settlement Agreement and Mutual Release by and between the State of Louisiana through the State Mineral and Energy Board, The Allbritton Cattle Company, LLC, et al and Leon K. Poche, et al, whereas said parties desire to settle all claims, issues and defenses, affecting the State's mineral royalty interests in the bed and bottoms of Rolling Lake Bayou that lie within Section 8, Township 13 North, Range 11 West, affecting State Lease Nos. 19125 and 19832, DeSoto and Red River 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 26th day of February, 2014 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
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State Mineral and Energy Board