

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE AND BOARD MEETING

NOVEMBER 9, 2016

OPENING OF BIDS
NOVEMBER 9, 2016

A public meeting for the purpose of opening sealed bids was held on Wednesday, November 9, 2016, beginning at 8:32 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Recorded as present were:

David Boulet, Assistant Secretary of the Office of Mineral Resources
Stacey Talley, Deputy Assistant Secretary of the Office of Mineral Resources
Rachel Newman, Director-Mineral Income Division
Emile Fontenot, Assistant Director-Petroleum Lands Division

Mr. David Boulet 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. Boulet read the letter as follows:

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

November 9, 2016

Ladies and 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. 44606 through 446613, 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. Boulet then stated that three letters of protest were received for today's Lease Sale from Gregory G. Duplantis with the Gordon Arata Law Firm on Tract Nos. 44607, 44610, and 44611.

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 Boulet stated that there were no tracts to be withdrawn from today's Lease Sale.

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

OFFSHORE TRACTS

Tract 44606

No Bids

Tract 44607

(Portion – 637.230 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Five (5) years
Cash Payment	:	\$127,446.00
Annual Rental	:	\$63,723.00
Royalties	:	21.000% on oil and gas
	:	21.000% on other minerals
Additional Consideration	:	None

INLAND TRACTS

Tract 44608

No Bids

Tract 44609

No Bids

Tract 44610

No Bids

Tract 44611

(Portion – 9.370 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$3,982.25
Annual Rental	:	\$1,991.13
Royalties	:	25.000% on oil and gas
	:	25.000% on other minerals
Additional Consideration	:	None

Tract 44612

No Bids

STATE AGENCY TRACT

Tract 44613

No Bids

This concluded the reading of the bids.

There being no further business, the meeting was concluded at 8:37 a.m.

**REGULAR MEETING
NOVEMBER 9, 2016**

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, November 9, 2016**, beginning at 9:35 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

Mr. Paul Segura, Chairman, called the meeting to order. He then requested Mr. David W. Boulet, Assistant Secretary of the Office of Mineral Resources, to call the roll for the purpose of establishing a quorum.

W. Paul Segura, Jr., Chairman
Carol R. LeBlanc, Vice-Chairman
Thomas F. Harris, DNR Secretary
Emile B. Cordaro
J. Todd Hollenshead
Rochelle A. Michaud-Dugas
Theodore M. "Ted" Haik, Jr.
Robert D. Watkins
Johnny B. Bradberry
Greg Carter

The following member of the Board was recorded as absent:

Thomas L. Arnold, Jr.

Mr. Boulet announced that ten (10) members of the Board were present and that a quorum was established.

Also recorded as present were:

David W. Boulet - Assistant Secretary of the Office of Mineral Resources
Stacey Talley - Deputy Assistant Secretary of the Office of Mineral Resources
Ryan Seidemann - Assistant Attorney General
Christopher Lento - Assistant Attorney General
Rachel Newman - Director, Mineral Income Division
Jason Talbot - Geologist Supervisor, Geological & Engineering Division
Emile Fontenot - Assistant Director, Petroleum Lands Division
Macy Dennis - Land Manager, Petroleum Lands Division
James Devitt - Deputy General Counsel, Department of Natural Resources

The Chairman stated that the first order of business was the approval of the October 12, 2016 Minutes. A motion was made by Mr. Harris to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Mr. Hollenshead and unanimously adopted by the Board. (No public comment was made at this time.)

The Chairman then stated that the next order of business was the adoption of the Staff Reports and Resolutions:

- a) Lease Review Report *
- b) Nomination and Tract Report *
- c) Audit Report *
- d) Legal and Title Controversy Report *
- e) Docket Review Report *

** Staff Reports and Resolutions will immediately follow this page.*

**a) LEASE REVIEW REPORT
November 9, 2016**

I. Geological and Engineering Staff Review

According to the SONRIS database, there were 1,383 active State Leases containing approximately 581,000 acres. Since the last Lease Review Board meeting, the Geological and Engineering Division reviewed 114 leases covering approximately 40,000 acres for lease maintenance and development issues.

II. Board Review

1. A staff report on State Lease 199-A, and Designated Area 1, Bay St. Elaine Field Selection, Terrebonne Parish. Hilcorp Energy I, L.P. is the operator. On motion of Mr. Bradberry, seconded by Mr. Watkins, the Board voted to accept Hilcorp's status update and grant Hilcorp until October 11, 2017 to submit an updated status report on lease development activity.
2. A staff report on State Leases 1450, 1451, and 1480, Lake Raccourci Field, Jefferson and Lafourche Parishes. ExxonMobil Corporation is the lessee. On motion of Mr. Bradberry, seconded by Mr. Watkins, the Board voted to accept the executed partial releases received from ExxonMobil and move these leases from Board review to annual staff review.
3. A staff report on State Lease Nos. 2220, 2221, 4039 and 4147, Eloi Bay and or Half Moon Lake Fields, Plaquemines and St. Bernard Parishes. Cox Operating L.L.C. is the operator. On motion of Mr. Bradberry, seconded by Mr. Watkins, the Board voted to accept Cox's report and grant Cox until November 8, 2017 to provide an update of field development affecting these leases.

III. Force Majeure

1. Request by Sanchez Oil & Gas Corporation to extend recognition of the force majeure an additional three (3) months affecting State Lease 1462 to the February 8, 2017 Board meeting. On motion of Mr. Cordaro, seconded by Ms. Michaud-Dugas, the Board voted to extend recognition of the force majeure affecting State Lease 1462 to the February 8, 2017 Board meeting.

Force Majeure Report Summary - Updated October 31, 2016

Company Name	Lease Numbers
Leases Off Production Due to Non-Storm Related Force Majeure Events	
Sanchez Oil & Gas Corporation	1462 (11/9/2016)

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #16-11-001
(Lease Review)**

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

WHEREAS, the Lease Review Committee last reviewed State Leases 199-A and Designated Area 1 in the Bay St. Elaine Field on October 14, 2015, whereby the State Energy and Mineral Board (SMEB) accepted Hilcorp Energy Company's (Hilcorp) status update and required that Hilcorp provide a status update on these plans by October 12, 2016; and

WHEREAS, by letter dated October 12, 2016, Hilcorp reported on the previous year and current year activities on SL 199-A and Designated Area 1 in the Bay St. Elaine Bay Field; and

NOW THEREFORE BE IT RESOLVED that the SMEB accept Hilcorp's status update and grant Hilcorp until October 11, 2017 to submit an updated status report on lease development activity.

CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 9th day of October, 2016, 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.



David W. Boulet, Assistant Secretary
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #16-11-002
(Lease Review)**

On motion of Mr. Bradberry, seconded by Mr. Watkins, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board:

WHEREAS, the State Mineral Board last reviewed State Leases 1450, 1451, 1480 in the Lake Raccourci Field (southern portion), on October 12, 2016, whereby the State Energy and Mineral Board (SMEB) recommended that ExxonMobil Corporation (Exxon) be granted a thirty (30) day extension until November 1, 2016 to submit their partial release proposal to the Office of Mineral Resources staff for review; and

WHEREAS, Exxon by letter dated October 26, 2016 included copies of executed partial releases for each lease and that submission to the Lafourche Parish Courthouse for certification and recording has been made after which, Exxon will forward certified copies.

NOW THEREFORE BE IT RESOLVED that the State Mineral and Energy Board accepts the executed partial releases affecting State Leases 1450, 1451 and 1480, Lafourche Parish, and moves these leases from Board review to annual staff review.

CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 9th day of November, 2016, 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.



David W. Boulet, Assistant Secretary
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #16-11-003
(Lease Review)**

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

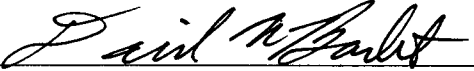
WHEREAS, the Lease Review Committee last reviewed State Leases 2220, 2221, 4039 and 4147, in the Eloi Bay and Half Moon Lake Fields on November 12, 2015, whereby the State Energy and Mineral Board (SMEB) accepted Cox Operating, L.L.C.'s (Cox) report and granted Cox until November 15, 2016 to provide an update of field development affecting these leases;

WHEREAS, by letter dated October 12, 2016, Cox provided a written update to the Lease Review Committee of their field development activities affecting State Leases 2220, 2221, 4039 and 4147, Eloi Bay and Half Moon Lake Fields;

NOW THEREFORE BE IT RESOLVED that the SMEB accept Cox's report and grant Cox until November 8, 2017 to provide an update of field development affecting these leases.

CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 9th day of November, 2016, 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.



David W. Boulet, Assistant Secretary
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #16-11-004
(Lease Review)**

Upon motion of Mr. Cordaro, seconded by Ms. Michaud-Dugas, the State Mineral and Energy Board offered and adopted the following resolution:

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


WHEREAS, by letter dated November 1, 2016, Sanchez Oil & Gas Corporation (“Sanchez”) reported to Office of Mineral Resources that the water level on Catahoula Lake will be too shallow to allow Sanchez to perform repair operations on the SL 1462 CA No. 2 Well until after 2016-2017 duck season, which runs from November 19, 2016 to January 29, 2017 with a two (2) week moratorium from December 5 to 17, 2016.

WHEREAS, Sanchez reports that after the week of February 1, 2017, the Corps of Engineers may be able to raise the water level to a point sufficient for Sanchez to work on the SL 1462 CA No. 2 Well;

NOW THEREFORE BE IT RESOLVED, that the Louisiana State Mineral and Energy Board, in consideration of the facts stated herein, by these present, does hereby acknowledge the Office of Mineral Resources recognition of a force majeure condition and extends recognition of the Force Majeure to the February 8, 2017 affecting State Lease 1462.

CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 9th day of November, 2016, 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.



David W. Boulet, Assistant Secretary
Louisiana State Mineral and Energy Board

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: November 15, 2016 11:16 AM

District Code 1 New Orleans- East

Get Review Date November 9, 2016

NO	Location	Units	Start Date	End Date	Review Date	Comments
02220	ELOI BAY , HALF MOON LAKE , RABBIT ISLAND	445 04/30/2015	2800	3718	NOV. AR 10/27/16 DP AR - HBP - 6 UNITS, 14 SL WELLS, RECEIVED STATUS UPDATE LETTER FROM COX 10/12/16	
02221	ELOI BAY	312 04/30/2015	1600	2309	NOV AR 10/27/16 DP AR - HBP - 1 UNIT, 3 SL WELLS, RECEIVED STATUS UPDATE LETTER FROM COX 10/12/16	
04039	HALF MOON LAKE	244853-SL 4039-013 06/02/2012	400	670	NOV AR 10/27/16 DP AR - HBP - 2 UNITS, 2 SL WELLS, RECEIVED STATUS UPDATE LETTER FROM COX 10/12/16;;	
04147	ELOI BAY , HALF MOON LAKE	99.73 04/30/2015	500	1283 61	NOV AR 10/27/16 DPP AR AR - HBP - 1 SL WELL, RECEIVED STATUS UPDATE LETTER FROM COX 10/12/16;;	
07729	LOCKHART CROSSING	235310-LKTX WX 1 RA SU;SL 7729-003 04/29/2007	157.633	157.633	NOV AR 10/27/16 DP AR AR - HBP - 2 UNITS;;	
16403	POINTE A LA HACHE	499.08 05/08/2002	102.92	102.92	NOV AR 10/27/16 DP AR AR - HBP - 2 UNITS;;	
17236	COQUILLE BAY	RICHARD F PRICE JR ETAL	79.052	79.052	NOV AR 10/27/16 DP AR - HBP - 2 UNITS;;	
19742	GARDEN ISLAND BAY	244710-VUA;SL 19742-002 05/27/2012	171	171	NOV AR 10/27/16 DP AR - HBP - 1 VU	
19743	GARDEN ISLAND BAY	HA RA SUJ;ROGERS ETAL 10 H 02/09/2011	124	124	NOV AR 10/27/16 DP AR - HBP - 1 VU;;	
20709	COQUILLE BAY	11000 RB SUA; 06/16/2015 890-X-4 15-364	1.92	1.92	NOV AR 10/27/16 DP AR - HBP - 1 UNIT;;	
21473			0	114	NOV. PT 08/13/17 - 10/27/16 DP AR - HELD BY RENTAL PAID 8/5/2016;;	
21474			0	124	NOV. PT 08/13/17 - 10/28/16 DP AR - HELD BY RENTAL PAID 8/5/2016;;	
21476			0	16	NOV. PT 08/13/17 - 10/28/16 DP AR - HELD BY RENTAL PAID 8/5/2016;;	
21481			0	61	NOV. PT 8/13/17 - 10/28/16 DP AR - HELD BY RENTAL PAID 8/5/2016;;	

Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: November 15, 2016 11:16 AM

District Code 1W New Orleans- West

Get Review Date November 9, 2016

Account Number	Account Name	Account Description	Original Balance	Current Balance	Comments
00356A	BAY DE CHENE	VUB;BDC UB	4299	4369	NOV. AR 11/2/16 MS AR, HBP FROM NUMEROUS UNITS
02485	SOUTH PASS BLOCK 24	247890-7700 RA SUB;SL 2485 ETAL U6-001-ALT 06/17/2014	413.34	413.34	NOV. AR 11/2/16 MS AR, HBP FROM NUMEROUS UNITS
03244	ST JOHN		14.61	14.61	NOV. AR 11/2/16 MS AR, HBP FROM STJ OPERC SU
06123	BAYOU BOEUF, SOUTH	R RC SUA;BOWIE LUMBER CO 08/02/2005 942-B-2	34	45	NOV. AR 11/2/16 MS AR, HBP FROM SBBF X RA SU, CIP OP N RA SUB & N RC SUA. EMAIL LESSEE ASKING FOR FOLLOW UP ON PARTIAL RELEASE, REVIEW AGAIN IN 3 MONTHS
14589	LAKE RACCOURCI	21.42 07/15/2011	160	1677.25	NOV. LRC 11/2/16 MS AR, HBP FROM ONE LEASE WELL
17990	LAKE WASHINGTON	LW 9600 RA-RD SU 12/14/2010 149-FFFF-5	205	205	NOV. AR 11/2/16 MS AR, HBP FROM VUA, 6750 RA SUA, LW 11350 RA&RE SU AND LW 9600 RA-RD SU
19774	LAKE SALVADOR, WEST	245695-CRIS I RD SUA;SL 19774-002-ALT 04/17/2013	318.22	318.22	NOV. AR 11/3/15 MS AR, LEASE HELD BY UNIT PRODUCTION FROM CRIS I RE SUA;SL 20850 AND CRIS I RD SUA
19949	MANILA VILLAGE	11 07/23/2012	23	23	NOV. AR 11/2/16 MS AR, HBP FROM 9400-BIG T RA SUA
20456	LAKE WASHINGTON	L2 RA SUC;LL&E FEE 149-C-1 97-29	.07	.07	NOV AR 11/2/16 MS AR, HBP FROM L4 RA SUB
20458	GOLDEN MEADOW	71.577 12/28/2015	22.423	22.423	NOV AR 11/2/16 MS AR, HBP FROM BIG HUM RC SUA. WELL IS PERMITTED FOR P&A, REVIEW AGAIN IN FEB 2017
21470			0	24	NOV PT 08/13/2017 11/3/15 MS AR, LEASE HELD BY RENTAL PAYMENTS

Louisiana Department of Natural Resources (DNR)

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Staff Reviews

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District Code 2 Lafayette

Get Review Date November 9, 2016

Well ID	Count	Well Name	Lease/Block	2015 Production (bbl)	2016 Production (bbl)	Notes
00199A	1	BAY ST ELAINE	VU4;BSE U4	182	495	OCT. LRC 10/19/16 AW HBP IN 2 UNITS; 3 PRODUCING WELLS
00199A	0	BAY ST ELAINE	VU4;BSE U4	2358	2358	OCT. LRC 10/19/16 AW HBP IN 6 UNITS; 13 PRODUCING WELLS
00199A	2	BAY ST ELAINE	VU4;BSE U4	0	621	MAY. AR 10/19/16 AW NO CURRENT PRODUCTION IN DA2
00340G	4	COTE BLANCHE BAY, WEST	513.701 03/23/2016	0	1908	NOV LR SAR 10/19/16 AW SCHEDULED TO BE RELEASED IN 2016
00340G	1	COTE BLANCHE BAY, WEST	513.701 03/23/2016	0	1868	NOV LR SAR 10/19/16 AW SCHEDULED TO BE RELEASED IN 2016
00340G	2	COTE BLANCHE BAY, WEST	513.701 03/23/2016	0	267	NOV LR SAR 10/19/16 AW SCHEDULED TO BE RELEASED IN 2016
00340G	3	COTE BLANCHE BAY, WEST	513.701 03/23/2016	0	1719	NOV LR SAR 10/19/16 AW SCHEDULED TO BE RELEASED IN 2016
00340G	5	COTE BLANCHE BAY, WEST	513.701 03/23/2016	0	1214	NOV LR SAR 9/19/16 JT LETTER TO TPIC, LABAY, CASTEX AND ENERGY XXI RE: DEVELOPMENT/RELEASE SCHEDULE;; 8/26/16 NO PRODUCING WELLS; LEASE IS ON AN ACREAGE RELEASE SCHEDULE
00340H	0	COTE BLANCHE BAY, EAST		1400	4959	NOV. AR 10/27/16 AW LETTER TO ALTA MESA GRANTS ALTA MESA UNTIL 6/30/17 TO REPORT ON DEVELOPMENT;; 10/19/16 AW HBP IN LEASE WELLS; 5 PRODUCING WELLS
00340H	0	COTE BLANCHE BAY, WEST		1400	4959	NOV. AR 10/27/16 AW LETTER TO ALTA MESA GRANTS ALTA MESA UNTIL 6/30/17 TO REPORT ON DEVELOPMENT;; 10/19/16 AW HBP IN LEASE WELLS; 5 PRODUCING WELLS
00340H	0	COTE BLANCHE ISLAND		1400	4959	NOV. AR 10/27/16 AW LETTER TO ALTA MESA GRANTS ALTA MESA UNTIL 6/30/17 TO REPORT ON DEVELOPMENT;; 10/19/16 AW HBP IN LEASE WELLS; 5 PRODUCING WELLS
00500		BUCKHORN , WEEKS ISLAND	WEEKS-GALL-STATE UN 1	317	420	NOV. AR 10/19/16 AW HBP IN 21 UNITS; 31 PRODUCING WELLS
02395		LAPEYROUSE	L EXP RA SUA;INVINCIBLE FEE 09/18/2007 416-EEE	15.38	23.38	NOV. AR 10/19/16 AW HBP IN 2 UNITS (PELICAN RE SUA & GG RA SUA)
10754		PERRY POINT , RIDGE, WEST	BOL MEX B RA SUA;P HULIN CO	.52	.52	NOV. AR 10/19/16 AW HBP IN 2 UNITS (BOL M B RA SUA & BOL

Louisiana Department of Natural Resources (DNR)

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Staff Reviews

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District Code 2 Lafayette

Get Review Date November 9, 2016

Well ID	Well Name	Permit No.	Original Volume	Current Volume	Notes
		04/26/2011 448-O-5 11-204			M A RB SUA)
14108	DEER ISLAND, WEST	L TEX W RB SUA;CL&F 07/07/2010 1313-A-2 10-721	23.4	23.4	NOV. AR 10/19/16 AW HBP IN 2 UNITS (12800 RB VUA & L TEX W RB SUA)
14158	SHIP SHOAL BLOCK 45		215.162	215.162	NOV. AR 10/19/16 AW HBP IN 1 UNIT (2 LUWS)
16381	LAKE SAND, EAST		868	868	NOV. AR 10/19/16 AW DID ROUTE SHEET ON LEASE 10/17/16 DUE TO LACK OF PRODUCTION AND NO SUPPORTING DOCUMENTATION FROM TELLUS
17315	BROUSSARD	8.67 04/09/2007	0	2.33	SEP. AR 10/19/16 AW WORKING ON WELL - HAS UNTIL 10/12/16 TO COMPLETE
19477	LAKE PELTO	17 R832 VUA;LP U6	29.63	29.63	NOV. AR 10/19/16 AW HBP IN 2 UNITS (16 B RB SUA & 11-1 RW1 SU)
21437	BAY ST ELAINE		40.74	40.74	SEPT. PT 06/11/2017 10/19/16 AW HBP IN LEASE WELL
21472			0	1042	NOV. PT 08/13/17 10/19/16 AW RENTAL PAYMENT MADE 8/11/16; 1 PERMITTED WELL
21478			0	63	NOV. PT 08/13/17 10/19/16 AW RENTAL PAYMENT MADE 7/12/16

Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: November 15, 2016 11:16 AM

District Code 3 Lake Charles- North

Get Review Date November 9, 2016

Well ID	Well Name	Well Type	Completion Date	Production (bbl/d)	Injection (bbl/d)	Notes
04477	BAYOU LOUIS	8	06/15/2015	10	10	NOV. AR 10/25/16 SR AR - ONE ACTIVE UNIT - ONE PRODUCING WELL
04778	NATCHEZ FERRY , VIDALIA, SOUTH	SL 13505	07/01/1998	259	259	NOV. AR 10/25/16 SR AR - 100% HBP FROM ONE SL WELL
10334	CADDO PINE ISLAND	CAPI VIV RA SU	03/01/1993	3.52	3.52	NOV. AR 10/25/16 SR AR - 100% HBP FROM RESERVOIR WIDE UNIT. 13 PRODUCING WELLS
13582	SIMSBORO, WEST	HOSS RA SUJ;SL 13582 23	12/15/2005	245	245	NOV. AR 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. TWO PRODUCING WELLS
17366	RED RIVER-BULL BAYOU	HA RB SU71;CALHOUN 2	11/06/2008	1.2	1.2	NOV. AR 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELLS
18396	CASPIANA	HA RA SU125;BROADWAY 29 H	10/06/2009	6.72	6.72	NOV. AR 10/25/16 SR AR - 100% HBP FROM TWO UNIT LUW. EIGHT PRODUCING WELLS
18802	DREW, SOUTH	3	01/29/2008	53.855	53.855	NOV. AR 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
19182	CASPIANA , THORN LAKE	HA RA SU117;CHK MIN 16-14-12 H	03/15/2011	8	8	NOV. AR SAL OMR MANAGED WLF BAYOU PIERRE WMA 10/25/16 SR AR - 100% HBP FROM THREE ACTIVE UNITS. FOUR PRODUCING WELLS
19349	CEDAR GROVE	11.68	08/06/2012	314.32	314.32	NOV. AR 10/25/16 SR AR - 100% HBP FROM TEN ACTIVE UNITS. TEN PRODUCING WELLS
19459	CASPIANA	190.635	09/10/2012	5.365	5.365	NOV. AR 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
19460	THORN LAKE	HA RA SUH;REX YOUNG 6 H	12/09/2008	11.359	11.359	NOV. AR 10/25/16 SR AR - 100% HBP FROM TWO ACTIVE UNIT. THREE PRODUCING WELLS
19757	CEDAR GROVE	HA RA SUU;FORBING BLUFF TBR 9H	08/31/2010	9.58	9.58	NOV. AR 10/25/16 SR AR - 100% HBP FROM TWO ACTIVE UNIT. TWO PRODUCING WELLS
19758	ELM GROVE	HA RA SUS;BROUSSARD 5	04/01/2009	204	204	NOV. AR 10/25/16 SR AR - 100% HBP FROM TWO ACTIVE UNIT. TWO PRODUCING WELLS
19759	ELM GROVE	HA RA SU86;BOLTON 35 H	08/04/2009	34	34	NOV. AR 10/25/16 SR AR - 100% HBP FROM FIVE ACTIVE UNITS. FIVE PRODUCING WELLS
19761	CASPIANA , ELM GROVE	HA RB SUEE;POOLE ANT 16-15-11H		192	192	NOV. AR 10/25/16 SR AR - 100% HBP FROM SIX ACTIVE

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: November 15, 2016 11:16 AM

District Code 3 Lake Charles- North

Get Review Date November 9, 2016

Well ID	Location	Operator	Production (bbl/d)	Reserve (bbl)	Notes
		09/10/2009 191-H-59 09-961			UNITS. SIX PRODUCING WELLS
19762	SWAN LAKE , WOODARDVILLE	HA RA SUY;MACK KELLUM 19 H 06/29/2010 691-C-14 10-694	105	105	NOV AR 10/25/16 SR AR - 100% HBP FROM EIGHT ACTIVE UNITS. TEN PRODUCING WELLS
19763	CASPIANA , SWAN LAKE , THORN LAKE	HA RB SUEE;POOLE ANT 16-15-11H 09/10/2009 191-H-59 09-961	138	138	NOV. AR 10/25/16 SR AR - PRODUCTION FROM TWELVE ACTIVE UNITS.TWELVE PRODUCING WELLS
19764	SWAN LAKE	HA RA SUT;ANTROBUS 22- 15-11 H 07/14/2009 691-C-10 09-752	401	401	NOV. AR 10/25/16 SR AR - 100% HBP FROM SIX ACTIVE UNITS. EIGHT PRODUCING WELLS
19765	SWAN LAKE , THORN LAKE	HA RA SUN;SAMPLE 2 H 06/09/2011 1145-B-14 09-631	316	316	NOV. AR 10/25/16 SR AR - 100% HBP FROM SEVEN ACTIVE UNITS .FIFTEEN PRODUCING WELLS
19766	RED RIVER-BULL BAYOU , THORN LAKE	HA RA SUO; 10/14/2014 1145-B-58 14-570	31	31	NOV. AR 10/25/16 SR AR - 100% HBP FROM FIVE ACTIVE UNITS. SIX PRODUCING WELLS
19769	RED RIVER-BULL BAYOU	261 06/17/2010	159	159	NOV. AR 10/25/16 SR AR - 100% HBP FROM FIVE ACTIVE UNITS. NINE PRODUCING WELLS
19770	RED RIVER-BULL BAYOU	HA RD SUDD;AWTBEGOOD 19-14-11H 04/27/2010 109-X-96 10-438	14	14	NOV. AR 10/25/16 SR AR - 100% HBP FROM TWO ACTIVE UNITS. SIX PRODUCING WELLS
19779	CASPIANA , THORN LAKE	HA RA SU117;CHK MIN 16-14-12 H 03/15/2011 191-H-131 11-117	212	212	NOV. AR SAL OMR MANAGED WLF 10/25/16 SR AR - 100% HBP FROM FOUR ACTIVE UNITS. ELEVEN PRODUCING WELLS
19780	CASPIANA	HA RA SU117;CHK MIN 16-14-12 H 03/15/2011 191-H-131 11-117	.14	.14	NOV. AR SAL OMR MANAGED WLF 10/25/16 SR AR - 100% HBP FROM TWO ACTIVE UNITS. THREE PRODUCING WELLS
19782	SWAN LAKE	HA RA SUA;NINOCK 25 11/18/2008 691-C 08-1787	.56	.56	NOV. AR SCHOOL INDEMNITY LANDS 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. FOUR PRODUCING WELLS
19788	SWAN LAKE	HA RA SUO;CULPEPPER 17 H 04/28/2011 691-C-8 09-483	41.23	41.23	NOV. AR LOGGY BAYOU WMA 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
19789	ALABAMA BEND	HA RA SUR;CULPEPPER 8 H 02/02/2010 1490-C-5 10-127	52.68	52.68	NOV. AR LOGGY BAYOU WMA 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
19790	SWAN LAKE	HA RA SUO;CULPEPPER 17 H 04/28/2011 691-C-8 09-483	36.62	36.62	NOV. AR LOGGY BAYOU WMA 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: November 15, 2016 11:16 AM

District Code 3 Lake Charles- North

Get Review Date November 9, 2016

Well ID	Well Name	Well Type	Acres	Production	Notes
19791	SWAN LAKE	HA RA SUO;CULPEPPER 17 H 04/28/2011 691-C-8 09-483	25.16	25.16	NOV. AR VACANT STATE LANDS 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
19792	SWAN LAKE	HA RA SUM;BANTLE ETAL 20 H 02/03/2009 691-C-2 09-101	.04	.04	NOV. AR VACANT STATE LANDS 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT ONE PRODUCING WELL
19793	SWAN LAKE	HA RA SUR;LOFTIN 32 H 06/23/2009 691-C-12 09-670	2.4	2.4	NOV. AR SAL OMR MANAGED WLF 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT ONE PRODUCING WELL
19794	SWAN LAKE	HA RA SUB;NINOCK 36 H 11/18/2008 691-C 08-1187	2.32	2.32	NOV. AR VACANT STATE LANDS 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
19796	WOODARDVILLE	HA RA SU58;JIMMY GAY 16 H 03/03/2009 990-D-8	28.08	28.08	NOV. AR VACANT STATE LANDS 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
20114	GAHAGAN , REDOAK LAKE	176 09/14/2012	183	183	NOV. AR 10/25/16 SR AR - 100% HBP FROM THREE ACTIVE UNIT. FIVE PRODUCING WELL
20151	SWAN LAKE , WOODARDVILLE	HA RA SUU;BUTLER 31-15-10 H 07/01/2009 691-C-9 09-723	4	4	NOV. AR 10/25/16 SR AR - 100% HBP FROM THREE ACTIVE UNITS. EIGHT PRODUCING WELLS
20403	WOODARDVILLE	HA RA SU57;O B MADDEN 18 H 03/03/2009 990-D-8 09-230	3.12	3.12	NOV. AR 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. SEVEN PRODUCING WELLS
20474	THORN LAKE	HA RA SUR;LOTT 1-14-11 H 07/14/2009 1145-B-18 09-764	110	110	NOV. AR 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
20475	THORN LAKE	HA RA SUDD;EDGAR CASON 14 H 08/26/2010 1145-B-36 10-798	96	96	NOV. AR 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
20476	THORN LAKE , WOODARDVILLE	HA RA SUV;EDGAR CASON 13H 03/03/2009 1145-B-9 09-263	42	42	NOV. AR 10/25/16 SR AR - 100% HBP FROM TWO ACTIVE UNITS. ELEVEN PRODUCING WELLS
20478	RED RIVER-BULL BAYOU	HA RD SUO;CASON 24-14-11 H 03/03/2009 109-X-26 09-233	169	169	NOV. AR 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
20479	RED RIVER-BULL BAYOU	HA RD SUQ;JAMES MARSTON 30 H 03/03/2009 109-X-26 09-233	33	33	NOV. AR 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. FOUR PRODUCING WELL
20701	RED RIVER-BULL BAYOU	HA RB SU55;RCSR 27-13-11 H 10/13/2009 109-X-66 09-1107	14	14	NOV. AR 10/25/16 SR AR - 100% HBP FROM FIVE ACTIVE UNIT. NINE PRODUCING WELL. LUW 616583 IS IS NOT SHOWING ROYALTY REVENUE.

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: November 15, 2016 11:16 AM

District Code 3 Lake Charles- North

Get Review Date November 9, 2016

Well ID	Well Name	Acres	Lease Date	Lease No	Operator	Comments
20702	RED RIVER-BULL BAYOU	33.44	01/24/2012	109-X-148 12-51	HA RB SU92;NAC ROYALTY 34 H	OPERATORS SURVEY PLAT DOES NOT RECOGNIZE BAYOU PIERRE WHICH RUNS TROUGH THE NE 1/4 OF NE1/4 OR THE UNIT, HA RD SUUU NOV. AR 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
20990	CADDO PINE ISLAND	3.694	10/16/2012	122-Y-12 12-599	HA RA SUZZ;KIRBY 7-6 H	NOV. AR 10/25/16 SR AR - PRODUCTION FROM ONE ACTIVE UNIT. ONE PRODUCING WELL. PR REQ 8-26-15. PR RECEIVED WAITING FOR CORRECTION
20992	CADDO PINE ISLAND	5.977	10/16/2012	122-Y-12 12-599	HA RA SUZZ;KIRBY 7-6 H	NOV. AR 10/25/16 SR AR - PRODUCTION FROM ONE ACTIVE UNIT. TWO PRODUCING WELL. PR REQ 8-26-15. PR RECEIVED WAITING FOR CORRECTION
20997	CADDO PINE ISLAND	6.941	03/25/2014	122-Y-20 14-185	HALL-WILLIAMS 4-34H	NOV. AR 10/25/16 SR AR - PRODUCTION FROM TWO ACTIVE UNIT. TWO PRODUCING WELL. PR REQ 8-26-15. PR RECEIVED WAITING FOR CORRECTION
20998	CADDO PINE ISLAND	5.686	08/13/2013	122-Y-15 13-387	HA RA SU61;COMEGYS 32-29 H	NOV. AR 10/25/16 SR AR - PRODUCTION FROM ONE ACTIVE UNIT. ONE PRODUCING WELL. PR REQ 8-26-15. PR RECEIVED WAITING FOR CORRECTION
21005	FAIRVIEW	40.065	08/06/2013		246750-VUA;SL 21005 ETAL-001	NOV. AR 10/25/16 SR MON - PRODUCTION FROM ONE ACTIVE UNIT. ONE PRODUCING WELL ROUTE SHEET STARTED FOR PR. DD NOT PAID
21033	CADDO PINE ISLAND	19.64	05/28/2009	122-Y-6 09-580	HA RA SUHH;LA TIDE CO 2 H	NOV. AR 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
21220	GILES BEND	38.6	11/13/2015		48.4	NOV. AR PT 8/14/16 10/25/16 SR AR - 100% HBP FROM ONE ACTIVE UNIT. ONE PRODUCING WELL
21586		0				NOV. PT 8/12/2018 10/25/16 SR RENTAL PAID
21587		0				NOV. PT 8/12/2018 10/25/16 SR RENTAL PAID
21605		0				NOV. PT 8/12/2018 10/25/16 SR RENTAL PAID
21606		0				NOV. PT 8/12/2018 10/25/16 SR RENTAL PAID

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: November 15, 2016 11:16 AM

District Code 3S Lake Charles- South
 Get Review Date November 9, 2016

Well ID	Well Name	Acres	Original Price	Current Price	Review Date
00344	GRAND LAKE	13-19 RA SUA;SL 344 08/14/2012 214-L 12-480	498.06	498.06	NOV AR 10/28/16 DP AR - HBP - 1 UNIT, 8 SL WELLS;;
08702	RIGHTHAND CREEK	1 09/04/1986	19	19	NOV AR 10/28/16 DP AR - HBP - 1 UNIT;;
13199	STARKS, WEST	9.288 10/21/1997	0	11.862	NOV AR 10/28/16 DP AR - LEASE EXPIRED ROUTE SHEET STARTED;; 10/25/16 DP ROUTE SHEET, SL HAS EXPIRED DUE TO NO PRODUCTION;;
13292	FRISCO	.49 02/25/1991	2.16	2.16	NOV 10/28/16 DP AR - HBP - 1 UNIT;;
13895	LAKE ARTHUR, SOUTH	34.688 02/18/1992	4.312	4.312	NOV AR 11/1/16 DP AR - HBP - 1 UNIT;;
14004	INDIAN VILLAGE, NORTH	NIVG 10100 CF RA SU; 11/01/1996	10.28	10.28	NOV AR 11/1/16 DP AR - HBP - 1 UNIT;;
15155	NIBLETT BLUFF	295 03/30/1999	120	120	NOV QR 11/1/16 DP AR - HBP - 1 VU
15726	NIBLETT BLUFF	66 03/09/1999	15	15	NOV AR 11/1/16 DP AR - HBP - 1 VU;;
16877	CHENEYVILLE, WEST	AUS C RA SUM;BOOK 14 03/31/1998 1415-A-1 98-210	44	44	NOV AR 11/1/16 DP AR - HBP - 1 UNIT;;
16878	CHENEYVILLE, WEST	AUS C RA SUM;BOOK 14 03/31/1998 1415-A-1 98-210	35	35	NOV AR 11/1/16 DP AR - HBP - 1 UNIT;;
18158	SABINE LAKE, SOUTH		157.01	157.01	NOV AR 11/1/16 DP AR - HBP - 1 SL WELL;;
18803	REDDELL	4.28 10/24/2014	2.98	2.98	NOV AR 11/1/16 DP AR - HBP - 1 UNIT;;
19967	VERMILION BLOCK 16	193.62 12/02/2015	142	142	NOV AR 11/1/16 DP AR - HBP - 1 VU;;
20139	DEEP LAKE	53 RA SUA; 12/08/2015 243-U	364	364	NOV. AR. ROCKEFELLER WMA; 11/1/16 DP AR - HBP - 2 UNITS;;
20181	BAYOU HEBERT	12.15 02/10/2014	91.85	91.85	NOV AR 11/1/16 DP AR - HBP - 1 UNIT;;

114 22,112,984 39,655,242

b) NOMINATION AND TRACT REPORT
November 9, 2016

The Board heard the report of Mr. Emile Fontenot **presented at 9:47 a.m.** on Wednesday November 9, 2016 relative to nominations received in the Office of Mineral Resources for the January 11, 2017 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Hollenshead**, duly seconded by **Mr. Harris**, the Board granted 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.

Three letters of Protest from Gregory G. Duplantis, with Gordon Arata Law Firm, dated October 28, 2016, one letter pertaining to Tract No. 44607, the second letter pertaining to Tract No. 44610 and the third letter pertaining to Tract No. 44611, Plaquemines Parish, Louisiana. No action was required.

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Tracts to Be
Advertised for the
January 11, 2017
Lease Sale

Resolution #16-11-005
(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Emile Fontenot reported that 9 tracts had been nominated for the January 11, 2017 Mineral Lease Sale, and requests that same are to be advertised pending staff review;

ON MOTION of *Mr. Hollenshead*, seconded by *Mr. Harris*, the following recommendation was offered and unanimously adopted by the Board after discussion and careful consideration:

That the State Mineral and Energy Board grant final approval to advertise all such tracts for the January 11, 2017 Mineral Lease Sale;

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

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 9th day of November 2016, 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.



David W. Boulet, Secretary
LOUISIANA STATE MINERAL AND ENERGY BOARD

**c) AUDIT REPORT
November 9, 2016**

The first matter on the audit report was a discussion on penalty waiver protocol as requested by the Board at the October 12, 2016 SMEB meeting.

No action required.

The second matter on the audit report was the election of the November 2016 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.

(d) LEGAL AND TITLE CONTROVERSY REPORT
November 9, 2016

The first matter considered by the Board was a Lease Amendment by and between the State Mineral and Energy Board, for and on behalf of the State of Louisiana and SR Acquisition I, LLC, whereas said parties desire to amend said lease to include the Force Majeure Provision, shut-in payment provision and other required clauses, affecting State Lease No. 1462, LaSalle Parish, Louisiana, with further particulars being stipulated in the instrument, on the Docket as Item No. 16-35.

Upon motion of Mr. Haik, seconded by Mr. Hollenshead, and by unanimous vote of the Board, the State Mineral and Energy Board granted final approval of the Lease Amendment by and between the State Mineral and Energy Board, for and on behalf of the State of Louisiana and SR Acquisition I, LLC, on the Docket as Item No. 16-35. No comments were made by the public.

The second matter considered by the Board was the request of Mr. Theodore M. Haik, Jr. at the October 12, 2016 Board Meeting that Staff present an overview of the established criteria adopted by Resolution dated April 8, 2009 which established criteria for considering request for waivers and/or reductions of liquidated damage assessments incurred as a result of a late release of terminated state leases.

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

The third matter considered by the Board was a request by Shelby Energy Holdings LLC (Shelby Energy) for a waiver, in whole or in part, of the liquidated damage assessment in the amount of \$10,700.00 for failure to re-register as a leaseholder by May 31, 2016.

Upon motion of Mr. Watkins, seconded by Mr. Haik, and by unanimous vote of the Board, the State Mineral and Energy Board granted a sixty-six and sixty-seven hundreds (66.67%) percent waiver of the liquidated damage assessment which reduces the amount due to \$3,566.31. On request by the Board for public comment, comments were made by Rick Shelby and Pat Theophilus appearing on behalf of Shelby Energy Holdings LLC.

The fourth matter considered by the Board was a request by Shelby Energy Holdings LLC (Shelby Energy) for a waiver, in whole or in part, for the liquidated damage assessment in the amount of \$33,800.00 for failure to partially release acreage in State Lease No. 20669 timely.

Upon motion of Mr. Watkins, seconded by Mr. Haik, and by unanimous vote of the Board, the State Mineral and Energy Board granted a sixty-six and sixty-seven hundreds (66.67%) percent waiver of the liquidated damage assessment which reduces

the amount due to \$11,265.54. On request by the Board for public comment, comments were made by Rick Shelby and Pat Theophilus appearing on behalf of Shelby Energy Holdings LLC.

The fifth matter considered by the Board was a request by Shelby Energy Holdings LLC (Shelby Energy) for a waiver, in whole or in part, for the liquidated damage assessment in the amount of \$1,000.00 for failure to obtain Board approval for the assignment of State Lease No. 20669.

Upon motion of Mr. Watkins, seconded by Mr. Haik, and by unanimous vote of the Board, the State Mineral and Energy Board granted a sixty-six and sixty-seven hundredths (66.67%) percent waiver of the liquidated damage assessment which reduces the amount due to \$333.30. On request by the Board for public comment, comments were made by Rick Shelby and Pat Theophilus appearing on behalf of Shelby Energy Holdings LLC.

The sixth matter considered by the Board was a request by Shoreline Southeast LLC to extend the previously granted authority to escrow royalty payments attributable to the disputed acreage within State Lease No. 21436 related to the U DISC 12 RA SUA, Bastian Bay Field, Plaquemines Parish, Louisiana.

Upon motion of Mr. Haik, seconded by Mr. Hollenshead, and by unanimous vote of the Board, the State Mineral and Energy Board granted Shoreline's request for an extension of the previously granted authority to escrow royalty payments attributable to the disputed acreage within State Lease No. 21436 related to the U DISC 12 RA SUA, Bastian Bay Field, Plaquemines Parish, Louisiana effective June 8, 2016 and continuing through the June 2017 Board meeting or the date of the next meeting of the Board thereafter, should it not meet, to allow for continuing evaluation, negotiation and resolution of the adverse claims. No comments were made by the public.

The seventh matter considered by the Board was a request by EEC E&P, LLC (EEC) for a waiver, in whole or in part, of the liquidated damage assessment in the amount of \$800.00 for failure to re-register as a leaseholder by May 31, 2016.

Upon motion of Mr. Carter, seconded by Mr. Cordaro, and by unanimous vote of the Board, the State Mineral and Energy Board granted a complete waiver of the liquidated damage assessment in the amount of \$800.00. No comments were made by the public.

The eighth matter considered by the Board was a request by Glenn Burke on behalf of Burke Brothers Resources, Inc. for a full waiver of the liquidated damage assessment in the amount of \$1,900.00 for failure to timely renew its leaseholder registration regarding its interest in State Lease No. 2038.

Upon motion of Ms. Michoud-Dugas, seconded by Ms. LeBlanc, and by unanimous vote of the Board, the State Mineral and Energy Board granted a complete waiver of the liquidated damage assessment in the amount of \$1,900.00. No comments were made by the public.

The ninth matter considered by the Board was a request by White Marlin Oil and Gas Company, LLC, that the Mineral and Energy Board refrain from nominating or accepting nominations on 20.84 state acres now or formerly covered by State Lease No. 1908.

Upon motion of Mr. Haik, seconded by Mr. Watkins, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff to take the 20.84 state acres now or formerly covered by State Lease No. 1908 out of commerce until December 14, 2016. No comments were made by the public.

The tenth matter considered by the Board was a request by Theodore M. Haik, Jr., Member of the Mineral and Energy Board, for approval of the following proposals to move the process of adopting a new Oil and Gas Lease Form forward:

- (a) That the following portions of the Proposed Oil and Gas Lease Form of August 2, 2016 be considered for "adoption in principle" by the Board:

PAGE 1 – DEFINITIONS
ARTICLE 1 – BONUS
ARTICLE 2 – PRIMARY TERM
ARTICLE 7 – OFFSET WELLS
ARTICLE 8 – LESSEE REPORTING
ARTICLE 11 – LEASE ACCESS
ARTICLE 12 – LESSOR'S RIGHTS
ARTICLE 13 – ENVIRONMENTAL LAWS AND REGULATIONS
ARTICLE 14 – RESPONSIBILITY FOR ENVIRONMENTAL DAMAGE
ARTICLE 16 – GENERAL LIABILITY INSURANCE
ARTICLE 17 – TITLE DISPUTES
ARTICLE 20 – NOTICES
ARTICLE 21 – INDEMNITY AND HOLD HARMLESS
ARTICLE 22 – NO WARRANTY OF TITLE
ARTICLE 23 – EXECUTORY CONTRACT
ARTICLE 25 – CONFLICT
ARTICLE 26 – SEVERABILITY
ARTICLE 27 – COUNTERPARTS
PAGE 22 - SIGNATURE PAGE

- (b) He further requested that at the time of final consideration of the remaining Articles, then the Articles that were adopted in principle be reviewed and finally adopted.

Upon motion of Mr. Haik, seconded by Mr. Watkins, and by unanimous vote of the Board, the State Mineral and Energy Board granted approval of the following proposal to move the process of adopting a new Oil & Gas Lease Form:

The Board adopted the following articles/pages, in principle, as it relates to the August 2, 2016 draft of the Proposed New Lease Form:

PAGE 1 – DEFINITIONS (with the exception of the word Restore/Restoration)
ARTICLE 1 – BONUS
ARTICLE 2 – PRIMARY TERM
ARTICLE 8 – LESSEE REPORTING
ARTICLE 11 – LEASE ACCESS
ARTICLE 12 – LESSOR’S RIGHTS
ARTICLE 13 – ENVIRONMENTAL LAWS AND REGULATIONS
ARTICLE 17 – TITLE DISPUTES
ARTICLE 20 – NOTICES
ARTICLE 21 – INDEMNITY AND HOLD HARMLESS
ARTICLE 22 – NO WARRANTY OF TITLE
ARTICLE 23 – EXECUTORY CONTRACT
ARTICLE 25 – CONFLICT
ARTICLE 26 – SEVERABILITY
ARTICLE 27 – COUNTERPARTS
PAGE 22 - SIGNATURE PAGE

The Board will review, debate and discuss, the following articles at a later date:

ARTICLE 3 – LEASE MAINTENANCE PAYMENTS
ARTICLE 4 – TRANSFERS AND ASSIGNMENTS
ARTICLE 5 – FORCE MAJEURE AND SUSPENDING EVENTS
ARTICLE 6 – POOLING AND UNITIZATION
ARTICLE 7 – OFFSET WELLS
ARTICLE 9 – ROYALTY
ARTICLE 10 – AUDIT RIGHTS
ARTICLE 14 – RESPONSIBILITY FOR ENVIRONMENTAL DAMAGE
ARTICLE 15 – FINANCIAL SECURITY
ARTICLE 16 – GENERAL LIABILITY INSURANCE
ARTICLE 18 – TERMINATION AND RELEASE
ARTICLE 19 – ABANDONMENT AND RESTORATION
ARTICLE 24 – LAW AND FORUM

On request by the Board for public comment, comments were made by Thomas G. Smart of Onebane Law Firm.

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Lease Amendment
SR Acquisition I, LLC
State Lease No. 1462
LaSalle Parish
Docket No. 16-35

RESOLUTION # 16-11-006

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request was made for final approval of a Lease Amendment by and between the State Mineral and Energy Board, for and on behalf of the State of Louisiana and SR Acquisition I, LLC, whereas said parties desire to amend said lease to include the Force Majeure Provision, shut-in payment provision and other required clauses, affecting State Lease No. 1462, LaSalle Parish, Louisiana, with further particulars being stipulated in the instrument, on the Docket as Item No. 16-35;

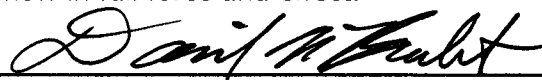
WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration, recommended that the foregoing request be approved by the Board;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant final approval of the Lease Amendment by and between the State Mineral and Energy Board, for and on behalf of the State of Louisiana and SR Acquisition I, LLC, on the Docket as Item No. 16-35.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of November, 2016 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Shelby Energy Holdings LLC
Liquidated Damages
Re: Failure to Re-Register

RESOLUTION # 16-11-007

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request was made by Shelby Energy Holdings LLC (Shelby Energy) for a waiver, in whole or in part, of the liquidated damage assessment in the amount of \$10,700.00 for failure to re-register as a leaseholder by May 31, 2016;


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

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant a sixty-six and sixty-seven hundreds (66.67%) percent waiver of the liquidated damage assessment which reduces the amount due to \$3,566.31.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of November, 2016 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**David W. Boulet, Secretary
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Shelby Energy Holdings LLC
Liquidated Damages
Re: Failure to partially release
acreage (SL# 20669)

RESOLUTION # 16-11-008

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request was made by Shelby Energy Holdings LLC (Shelby Energy) for a waiver, in whole or in part, for the liquidated damage assessment in the amount of \$33,800.00 for failure to partially release acreage in State Lease No. 20669 timely;

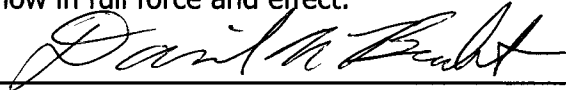
WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration, recommended that the foregoing request be approved by the Board;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant a sixty-six and sixty-seven hundredths (66.67%) percent waiver of the liquidated damage assessment which reduces the amount due to \$11,265.54.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of November, 2016 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**David W. Boulet, Secretary
State Mineral and Energy Board**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Shelby Energy Holdings LLC
Liquidated Damages
Re: Failure to obtain Board
approval for the assignment
(SL# 20669)

RESOLUTION # 16-11-009

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request was made by Shelby Energy Holdings LLC (Shelby Energy) for a waiver, in whole or in part, for the liquidated damage assessment in the amount of \$1,000.00 for failure to obtain Board approval for the assignment of State Lease No. 20669;


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

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant a sixty-six and sixty-seven hundreds (66.67%) percent waiver of the liquidated damage assessment which reduces the amount due to \$333.30.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of November, 2016 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

SHORELINE SOUTHEAST LLC
ESCROW AUTHORIZATION
Shoreline-LL&E No. 1 Well
Bastian Bay Field
State Lease No. 21436

RESOLUTION # 16-11-010

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, pursuant to La. R.S. 30:121, the State Mineral and Energy Board (Board) shall administer the State of Louisiana's (State) proprietary interest in the minerals in and upon the lands and water bottoms belonging to the State or the title to which is in the public trust; and

WHEREAS, pursuant to La. R.S. 30:124, the Board has authority to lease such lands and water bottoms for the development and production of minerals, oil, gas or alternative energy sources; and

WHEREAS, pursuant to La. R.S. 30:129, the Board has full supervision over all mineral leases granted by the State, and is authorized to take any action necessary to protect the interests of the State and enter into agreements or amend leases in the manner most beneficial to the State; and

WHEREAS, disputes regarding the ownership of minerals to which the State claims title periodically occur and Lessees are required to promptly notify the Office of Mineral Resources (OMR) of adverse claims by any individual or entity not a party to a State Lease; and

WHEREAS, by Resolution #15-06-016, dated June 10, 2015, the Board continued the practice of permitting Lessees to request authority to escrow royalties on title disputed lands under lease by the State; and

WHEREAS, on December 1, 2015, Shoreline Southeast LLC notified OMR that a *bona fide* dispute exists due to an adverse claim regarding the ownership or title to all or a portion of the premises under lease by the State related to the Shoreline-LL&E No. 1 Well: Upper Discorbis 12 RA SUA, Bastian Bay Field, Plaquemines Parish, Louisiana, including water bottoms covered by State Lease No. 21436 that are owned of record, and are claimed adversely to the State by The Louisiana Land and Exploration Company, LLC and Plaquemines Parish Government. Shoreline Southeast LLC requested authorization to deposit the royalty payments due on the production attributable to the disputed acreage into an escrow account in lieu of making such payments directly to OMR as required by the State Lease; and

WHEREAS, the Board, by Resolution No. 16-01-016, dated January 13, 2016, granted Lessee escrow authority through the June 8, 2016 Board Meeting (or the date of the next meeting of the Board thereafter, should it not meet that month); and

WHEREAS, on October 10, 2016, Shoreline Energy requested an extension of the previously granted escrow authority to afford the interested parties additional time to negotiate an amicable resolution of the adverse claim; and

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

WHEREAS, in response to this request for an extension of the escrow authority, OMR Staff offered the following recommendation for consideration by the Board:

Resolution #16-11-010
(Legal & Title Controversy Report)

That the State Mineral and Energy Board approve Lessee's request for an extension of this escrow authority, commencing June 8, 2016 and continuing through the June 2017 Board Meeting (or the date of the next meeting of the Board thereafter, should it not meet that month), to allow the interested parties time to evaluate and resolve the adverse claim, which authority should be granted subject to the standard escrow procedure and requirements established by OMR.

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

NOW THEREFORE, BE IT RESOLVED that Lessee's request for escrow authority is hereby granted:

BE IT FURTHER RESOLVED:

- 1) Lessee is hereby authorized to suspend the direct payment of royalties to OMR on the disputed acreage related to the Shoreline-LL&E No. 1 Well: Upper Discorbis 12 RA SUA, Bastian Bay Field, Plaquemines Parish, State of Louisiana including water bottoms covered by State Lease No. 21436 that are owned of record, and are claimed adversely to the State by The Louisiana Land and Exploration Company, LLC and Plaquemines Parish Government;
- 2) The escrow authority granted hereby is effective June 8, 2016 and continuing through the June 2017 Board meeting (or the date of the next meeting of the Board thereafter, should it not meet that month), to allow the interested parties time to evaluate and resolve the adverse claim;
- 3) The escrow authority granted hereby is contingent upon Lessee's compliance with the standard escrow procedure and requirements established by OMR;
- 4) The deposit of royalties into the escrow account shall be accepted by the Board as the royalty payments required by the State Lease, and Lessee shall not be held in default of payment of its royalty obligation owed the State as long as deposits are timely and properly made as required by the State Lease into the escrow account; and
- 5) The Board reserves the right to audit the royalty payments deposited into the escrow account and further reserves all audit rights authorized by the State Lease.

BE IT FURTHER RESOLVED:

- 1) Within fifteen (15) calendar days of adoption of this Resolution, Lessee shall open and maintain a separate, interest bearing escrow account at a FDIC insured financial institution having a presence in the State of Louisiana, and provide satisfactory documentary proof of having done so to OMR;
- 2) Throughout the authorized escrow period, Lessee shall continue to timely provide fully completed SR-9 Reports (and any other requested documents) to OMR;
- 3) Throughout the authorized escrow period, Lessee shall timely deposit the properly calculated and reported royalty payments attributable to the disputed acreage into the escrow account;
- 4) Throughout the authorized escrow period, Lessee shall provide documentation (copies of deposited checks, deposit receipts or monthly bank statements) of the timely deposit of royalty payments into the escrow account;
- 5) Throughout the authorized escrow period, Lessee shall in good faith cooperate with OMR's efforts to negotiate a royalty sharing agreement or other amicable resolution of the title dispute with the adverse claimant(s);

Resolution #16-11-010
(Legal & Title Controversy Report)

- 6) If the ownership/title dispute is amicably resolved prior to expiration of the authorized escrow period, the royalty payments on deposit and interest thereon accumulating in the escrow account shall be timely distributed in accordance with the negotiated resolution;
- 7) If the ownership/title dispute is not amicably resolved prior to expiration of the escrow period or any authorized extension thereof, Lessee shall, within fifteen (15) calendar days of expiration:
 - a) Resume direct payment of royalties to OMR and transfer all royalty payments, including interest, on deposit in the escrow account to OMR; or
 - b) Invoke a concursus proceeding, transfer all royalty payments, including interest, on deposit in the escrow account into the Registry of the Court and continue the direct payment of royalties into the Registry of the Court through adjudication of the dispute;
- 8) Lessee shall not transfer nor release any funds, including interest, on deposit in the escrow account authorized by this Resolution without the knowledge and written approval of OMR; and
- 9) All charges and expenses in connection with the creation and maintenance of the escrow account authorized hereby are to be borne by Lessee.

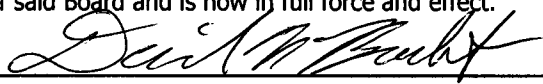
BE IT FURTHER RESOLVED that Lessee is obligated to strictly comply with the requirements applicable to this escrow authority as set forth herein and as required by OMR. Lessee's failure to:

- 1) Timely create the escrow account; or
- 2) Timely deposit royalty payments into the escrow account; or
- 3) Timely provide required reports and documentary proof of deposits; or
- 4) Timely invoke a concursus proceeding or resume direct payment of royalties to OMR upon expiration of the escrow authority;

may result in the escrow authority granted hereby being rendered null and void *ab initio* by the Board, thus subjecting Lessee to the penalties and interest authorized by law and the State Lease.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of November, 2016 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.



**David W. Boulet, Secretary
State Mineral and Energy Board**

Resolution #16-11-010
(Legal & Title Controversy Report)

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

EEC E&P, LLC
Liquidated Damages
Re: Failure to Re-Register

RESOLUTION # 16-11-011

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request was made by EEC E&P, LLC (EEC) for a waiver, in whole or in part, of the liquidated damage assessment in the amount of \$800.00 for failure to re-register as a leaseholder by May 31, 2016;

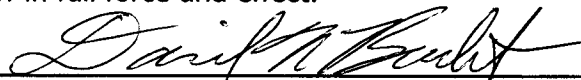
WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration, recommended that the foregoing request be approved by the Board;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant a complete waiver of the liquidated damage assessment in the amount of \$800.00.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of November, 2016 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Burke Brothers Resources, Inc.
Liquidated Damages
Re: Failure to Re-Register

RESOLUTION # 16-11-012

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request was made by Glenn Burke on behalf of Burke Brothers Resources, Inc. for a full waiver of the liquidated damage assessment in the amount of \$1,900.00 for failure to timely renew its leaseholder registration regarding its interest in State Lease No. 2038;

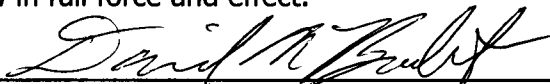
WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration, recommended that the foregoing request be approved by the Board;

ON MOTION of Ms. Michaud-Dugas, seconded by Ms. LeBlanc, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant a complete waiver of the liquidated damage assessment in the amount of \$1,900.00.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of November, 2016 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

White Marlin Oil and Gas
Company, LLC
State Lease No. 1908

RESOLUTION # 16-11-013

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request was made by White Marlin Oil and Gas Company, LLC, that the Mineral and Energy Board refrain from nominating or accepting nominations on 20.84 state acres now or formerly covered by State Lease No. 1908;

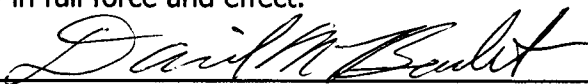
WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration, recommended that the foregoing request be approved by the Board;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to Staff to take the 20.84 state acres now or formerly covered by State Lease No. 1908 out of commerce until December 14, 2016.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of November, 2016 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Theodore M. Haik
Proposals
Re: Adoption of a New Oil and
Gas Lease Form
State Lease No. 1908

RESOLUTION # 16-11-014

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request was made by Theodore M. Haik, Jr., Member of the Mineral and Energy Board, for approval of the following proposals to move the process of adopting a new Oil and Gas Lease Form forward:

- (a) That the following portions of the Proposed Oil and Gas Lease Form of August 2, 2016 be considered for "adoption in principle" by the Board:

PAGE 1 – DEFINITIONS
ARTICLE 1 – BONUS
ARTICLE 2 – PRIMARY TERM
ARTICLE 7 – OFFSET WELLS
ARTICLE 8 – LESSEE REPORTING
ARTICLE 11 – LEASE ACCESS
ARTICLE 12 – LESSOR'S RIGHTS
ARTICLE 13 – ENVIRONMENTAL LAWS AND REGULATIONS
ARTICLE 14 – RESPONSIBILITY FOR ENVIRONMENTAL DAMAGE
ARTICLE 16 – GENERAL LIABILITY INSURANCE
ARTICLE 17 – TITLE DISPUTES
ARTICLE 20 – NOTICES
ARTICLE 21 – INDEMNITY AND HOLD HARMLESS
ARTICLE 22 – NO WARRANTY OF TITLE
ARTICLE 23 – EXECUTORY CONTRACT
ARTICLE 25 – CONFLICT
ARTICLE 26 – SEVERABILITY
ARTICLE 27 – COUNTERPARTS
PAGE 22 - SIGNATURE PAGE

- (b) He further requested that at the time of final consideration of the remaining Articles, then the Articles that were adopted in principle be reviewed and finally adopted;

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

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

Resolution #16-11-014
(Legal & Title Controversy Report)

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby adopt the following articles/pages, in principle, as it relates to the August 2, 2016 draft of the Proposed New Lease Form:

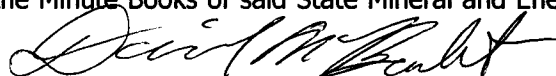
PAGE 1 – DEFINITIONS (with the exception of the word Restore/Restoration)
ARTICLE 1 – BONUS
ARTICLE 2 – PRIMARY TERM
ARTICLE 8 – LESSEE REPORTING
ARTICLE 11 – LEASE ACCESS
ARTICLE 12 – LESSOR'S RIGHTS
ARTICLE 13 – ENVIRONMENTAL LAWS AND REGULATIONS
ARTICLE 17 – TITLE DISPUTES
ARTICLE 20 – NOTICES
ARTICLE 21 – INDEMNITY AND HOLD HARMLESS
ARTICLE 22 – NO WARRANTY OF TITLE
ARTICLE 23 – EXECUTORY CONTRACT
ARTICLE 25 – CONFLICT
ARTICLE 26 – SEVERABILITY
ARTICLE 27 – COUNTERPARTS
PAGE 22 - SIGNATURE PAGE

BE IT FURTHER RESOLVED that the Board will review, debate and discuss, the following articles at a later date:

ARTICLE 3 – LEASE MAINTENANCE PAYMENTS
ARTICLE 4 – TRANSFERS AND ASSIGNMENTS
ARTICLE 5 – FORCE MAJEURE AND SUSPENDING EVENTS
ARTICLE 6 – POOLING AND UNITIZATION
ARTICLE 7 – OFFSET WELLS
ARTICLE 9 – ROYALTY
ARTICLE 10 – AUDIT RIGHTS
ARTICLE 14 – RESPONSIBILITY FOR ENVIRONMENTAL DAMAGE
ARTICLE 15 – FINANCIAL SECURITY
ARTICLE 16 – GENERAL LIABILITY INSURANCE
ARTICLE 18 – TERMINATION AND RELEASE
ARTICLE 19 – ABANDONMENT AND RESTORATION
ARTICLE 24 – LAW AND FORUM

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of November, 2016 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**David W. Boulet, Secretary
State Mineral and Energy Board**

Resolution #16-11-014
(Legal & Title Controversy Report)

**e) DOCKET REPORT
November 9, 2016**

The Board heard the report of Macy Dennis on Wednesday, November 9, 2016, relative to the following:

- Category A: State Agency Leases
Docket Item A and B
- Category B: State Lease Transfers.
Docket Item Nos. 1 through 21
- Category C: Department of Wildlife & Fisheries State Agency Lease Transfers
No items received for this category.
- Category D: Advertised Proposals
Docket Item No. 1

for the November 9, 2016 Mineral Lease Sale. Based upon the staff's recommendation, on motion of *Mr. Watkins*, duly seconded by *Mr. Haik*, the Board voted unanimously to accept the following recommendations:

- Category A: State Agency Leases
Approve Docket Item A and B
- Category B: State Lease Transfers
Approve Docket Item Nos. 1 through 21, No. 8 was approved subject to the approval of the Governor of Louisiana and Docket Nos. 19, 20 and 21 were deferred at the request of the staff.
- Category C: Department of Wildlife & Fisheries State Agency Lease Transfers
No items received for this category.
- Category D: Advertise Proposals
Approve Docket Item No. 16-35 upon recommendation of the Legal and Title Controversy Review.

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-015

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the November 9, 2016 Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Vermilion Parish Police Jury, dated September 19, 2016, awarded to Angelle & Donohue Oil & Gas Properties, Inc., covering lands located in Sections 33, 38, 50, 52, 54, 55, 56, 57, 58, 59, 60, 61 and 62, Township 12 South, Range 3 East; AND Section 4, Township 13 South, Range 3 East, Vermilion Parish, Louisiana, containing 57.72 acres, more or less, with further contractual obligations being more enumerated in the instrument.

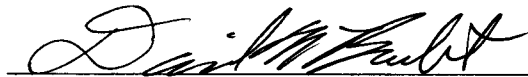
The State of Louisiana, through the State Mineral and Energy Board, asserts and claims title to the beds and bottoms of any navigable waterbed that may be located within the boundaries of the lands leased, and this approval shall not cover or extend to, or be construed as affecting the State's title 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 or Secretary 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 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-016

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item B from the November 9, 2016 Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Vermilion Parish Police Jury, dated September 19, 2016, awarded to Angelle & Donohue Oil & Gas Properties, Inc., covering lands located in Sections 43, 45 and 47, Township 12 South, Range 3 East, Vermilion Parish, Louisiana, containing 12.18 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 or Secretary 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 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-017

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the November 9, 2016 Meeting be approved, said instrument being an Assignment from Main Energy, Inc. to J&S Oil & Gas Management, Ltd., of all of Assignor's right, title and interest in and to State Lease No 17339, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument

J&S Oil & Gas Management, Ltd 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;

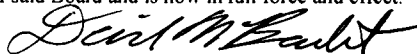
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 or Secretary 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 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-018

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the November 9, 2016 Meeting be approved, said instrument an Assignment from J&S Oil & Gas Management, Ltd. to Texas Petroleum Investment Company, of all of Assignor's right, title and interest in and to State Lease No. 17339, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

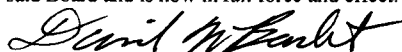
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary 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 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-019

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the November 9, 2016 Meeting be approved, said instrument an Assignment from the Succession of James A. Whitson, Jr., represented by Paula Duncan Whitson, duly appointed Executrix to Texas Petroleum Investment Company, of all of Assignor's right, title and interest in and to State Lease No. 17339, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

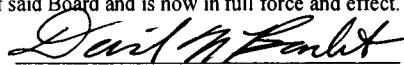
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary 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 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-020

(DOCKET)

On motion of Mr. Watkins, seconded by Mr. Haik, the following Resolution was offered and adopted

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the November 9, 2016 Meeting be approved, said instrument an Assignment from ExPert Oil & Gas, L L C to Lucky Watch LLC, of all of Assignor's right, title and interest in and to Operating Agreement "A0323", Iberville Parish, Louisiana, with further particulars being stipulated in the instrument

Lucky Watch 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;

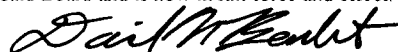
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 or Secretary 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 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-021

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the November 9, 2016 Meeting be approved, said instrument an Assignment and Correction of Assignment from Northlake Production, L.L.C. to Martin-Marks Minerals L.L.C., of all of Assignor's right, title and interest in and to State Lease No. 18581, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument

Martin-Marks Minerals 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 or Secretary 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 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-022

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the November 9, 2016 Meeting be approved, said instrument an Assignment from CDT Consulting Corp., Coquille Bay Investors III LLC, Coquille Investors LLC, Delta Operating Corporation, East Coquille Bay I, L.L.C., Hew-Tex Oil and Gas Corporation, Marks Explorer LLC, Martin-Marks Minerals L.L.C., Paladin Energy Corp., Saxheim, LLC, Stone Industries, L.L.C. and W Oil LLC to Krewe Energy, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 17236 and 18581, Plaquemines Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** State Lease No. 17236 covers 197.63 acres from a depth of 10,030' and below, less that tract in Section 22 from 10,030' to 10,750' in Portion D, less the 68.61 acres of the TEX L1 Sand from 10,030' to 10,854' in Portion E, **AND INSOFAR AND ONLY INSOFAR AS** State Lease No. 18581 covers and affects the acreage contained in the CIB C RA SUA for Coquille Bay Fidd, containing approximately 12.57 acres, 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.

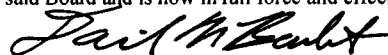
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 or Secretary 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 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-023

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 7 from the November 9, 2016 Meeting be approved, said instrument an Assignment from Browning Oil Company, Inc. to DeQuincy Holdings, L.L.C., of all of Assignor's right, title and interest in and to State Lease No. 16948, Calcasieu Parish, Louisiana, with further particulars being stipulated in the instrument.

DeQuincy Holdings, 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 or Secretary 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 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-024 (DOCKET)

On motion of Mr. Watkins, seconded by Mr. Haik, the following Resolution was offered and adopted.

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 8 from the November 9, 2016 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument an Act of Exchange from David S. Stare to David S. Stare, L.L.C., of all of Assignor's right, title and interest in and to State Lease Nos. 334, 335, 340, 341 and 344, Iberia, Plaquemines, St. Bernard, St. Mary, Terrebonne and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

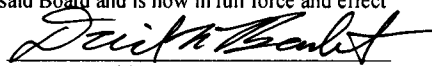
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 or Secretary is hereby authorized to sign said lease to reflect the approval of the State Mineral and Energy Board.

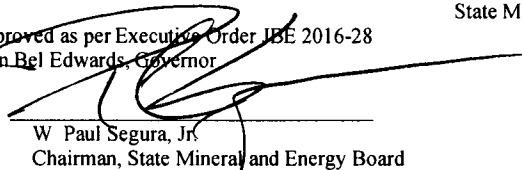
CERTIFICATE

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 9th day of November, 2016, 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



David W. Boulet, Secretary
State Mineral and Energy Board

Approved as per Executive Order JBE 2016-28
Joan Bel Edwards, Governor

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-025

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 9 from the November 9, 2016 Meeting be approved, said instrument an Assignment from Shoreline Southeast LLC to Krewe Energy, LLC, of all of Assignor's right, title and interest in and to State Lease No. 2395, Terrebonne 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 or Secretary 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 9th day of November, 2016, 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



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-026

(DOCKET)

On motion of Mr. Watkins, seconded by Mr. Haik, the following Resolution was offered and adopted.

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 10 from the November 9, 2016 Meeting be approved, said instrument an Assignment from Comstock Oil & Gas-Louisiana, LLC to Mineral Ventures, Inc., of all of Assignor's right, title and interest in and to State Lease No. 18802, Ouachita Parish, Louisiana, with further particulars being stipulated in the instrument

Mineral Ventures, 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 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,

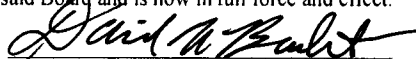
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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 or Secretary 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 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-027

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 11 from the November 9, 2016 Meeting be approved, said instrument an Assignment from Chesapeake Louisiana, L P. to PXP Louisiana L L C , an undivided 20% of Assignor's right, title and interest in and to State Lease Nos. 19835, 19838, 19840 and 19923, DeSoto and Red River Parishes, Louisiana, **SAVE AND EXCEPT**, and expressly **RESERVING AND EXCEPTING** unto Assignor all rights, title and interest as to all intervals, formations, strata and depths between the surface of the Earth down to the subsurface depth which is the stratigraphic equivalent of the base of the Cotton Valley formation top of the Louark Group defined as correlative to depth of 10,055', with further particulars being stipulated in the instrument.

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

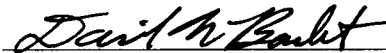
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 or Secretary 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 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-028

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12 from the November 9, 2016 Meeting be approved, said instrument an Assignment from Chesapeake Louisiana, L.P. to PXP Louisiana L.L.C., an undivided 20% of Assignor's right, title and interest in and to State Lease No. 11855, Bossier and Caddo Parishes, Louisiana, **SAVE AND EXCEPT**, and expressly **RESERVING AND EXCEPTING** unto Assignor all rights, title and interest as to all intervals, formations, strata and depths between the surface of the Earth down to the subsurface depth which is the stratigraphic equivalent of the base of the Cotton Valley formation top of the Louark Group defined as correlative to depth of 10,055', with further particulars being stipulated in the instrument.

PXP Louisiana 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;

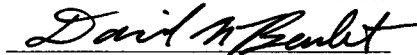
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 or Secretary 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 9th day of November, 2016, 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



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-030 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 14 from the November 9, 2016 Meeting be approved, said instrument an Assignment from Chesapeake Louisiana, L.P. to PXP Louisiana L.L.C., an undivided 20% of Assignor's right, title and interest in and to State Lease Nos 2524 and 11155, Bossier and Caddo Parishes, Louisiana, **SAVE AND EXCEPT**, and expressly **RESERVING AND EXCEPTING** unto Assignor all rights, title and interest as to all intervals, formations, strata and depths between the surface of the Earth down to the subsurface depth which is the stratigraphic equivalent of the base of the Cotton Valley formation top of the Louark Group defined as correlative to depth of 10,055', with further particulars being stipulated in the instrument

PXP Louisiana 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,

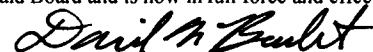
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 or Secretary 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 9th day of November, 2016, 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.


David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-031 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 15 from the November 9, 2016 Meeting be approved, said instrument an Assignment from GSF, L.L.C. to PXP Louisiana Operations L L C , an undivided 20% of Assignor's right, title and interest in and to State Lease Nos. 17124, 17126, 17127, 17734, 18245 and 18276, Bossier and Caddo Parishes, Louisiana, **SAVE AND EXCEPT**, and expressly **RESERVING AND EXCEPTING** unto Assignor all rights, title and interest as to all intervals, formations, strata and depths between the surface of the Earth down to the subsurface depth which is the stratigraphic equivalent of the base of the Cotton Valley formation top of the Louark Group defined as correlative to depth of 10,055', with further particulars being stipulated in the instrument

PXP Operations 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,

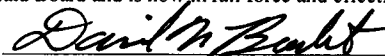
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 or Secretary 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 9th day of November, 2016, 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.



David W Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-032 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 16 from the November 9, 2016 Meeting be approved, said instrument An Assignment from Chesapeake Louisiana, L.P. to PXP Louisiana L.L.C., an undivided 9.82% of Assignor's right, title and interest in and to State Lease No. 19831, DeSoto Parish, Louisiana, **SAVE AND EXCEPT**, and expressly **RESERVING AND EXCEPTING** unto Assignor all rights, title and interest as to all intervals, formations, strata and depths between the surface of the Earth down to the subsurface depth which is the stratigraphic equivalent of the base of the Cotton Valley formation top of the Louark Group defined as correlative to depth of 10,055', with further particulars being stipulated in the instrument.

PXP Louisiana 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 or Secretary 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 9th day of November, 2016, 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



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-033
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17 from the November 9, 2016, Meeting be deferred, said instrument being an Assignment from MRD Operating LLC to Memorial Production Partners LP, of all of Assignor's right, title and interest in and to State Lease No. 19501, Caddo Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-034

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 18 from the November 9, 2016 Meeting be approved, said instrument an Assignment from Shelby Energy Holdings, LLC to Bachtell Oil & Gas, Ltd., of all of Assignor's right, title and interest in and to State Lease No. 20669, Bossier and Caddo Parishes, Louisiana, with further particulars being stipulated in the instrument

Bachtell Oil & Gas, Ltd 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;

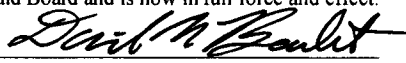
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 or Secretary 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 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-035

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19 from the November 9, 2016, Meeting be deferred, said instrument being an Act of Donation and Assignment from George R. White to The White Living Trust, trustee George R. White, of all of Assignor's right, title and interest in and to State Lease No. 7964, Acadia Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-036
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 20 from the November 9, 2016, Meeting be deferred, said instrument being a Judgment and Amendment of Judgment, whereby it is ordered that all minerals and mineral rights in the name of The White Living Trust u/t/a of August 2, 1994, be re-titled to reflect ownership being as follows:

George R. White	50.000%
George R. White, as trustee of the Bettijo Hartsell White Qualified Trust	21.285%
George R. White, as trustee of the Bettijo Hartsell White Credit Shelter Trust	28.715%

in and to State Lease No. 7964, Acadia Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of November, 2016, 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.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-037 (DOCKET)

On motion of Mr. Watkins, seconded by Mr. Haik, the following Resolution was offered and adopted

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 21 from the November 9, 2016 Meeting be approved subject to the approval of the Governor, said instrument an Act of Contribution from the Succession of Asa B Allen, by and through Argent Trust Company, its duly authorized Personal Representative/Independent Executor, represented by Gary A Moore, President to Blue Charm, L L C , of all of Assignor's right, title and interest in and to State Lease No 344, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument

Blue Charm, 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,

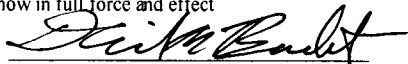
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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 or Secretary is hereby authorized to sign said lease to reflect the approval of the State Mineral and Energy Board

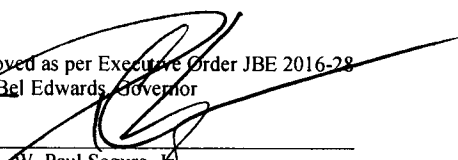
CERTIFICATE

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 9th day of November, 2016, 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



David W Boulet, Secretary
State Mineral and Energy Board

Approved as per Executive Order JBE 2016-28
John Bel Edwards, Governor

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #16-11-038

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 16-35 from the November 9, 2016, Meeting be approved, said instrument being a Lease Amendment by and between the State Mineral and Energy Board, for and on behalf of the State of Louisiana and SR Acquisition I, LLC, whereas said parties desire to amend said lease to include the Force Majeure Provision, shut-in payment provision and other required clauses, affecting State Lease No. 1462, LaSalle Parish, Louisiana, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary 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 9th day of November, 2016 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.



David W. Boulet, Secretary
State Mineral and Energy Board

The Chairman stated that the next order of business was the awarding of the leases and called on Mr. Byron Miller to present Staff's recommendations to the Board.

Mr. Miller stated that Staff recommends that both bids be accepted.

Upon motion by Mr. Harris, seconded by Mr. Watkins, the Board unanimously voted to accept the following bids:

1. Award a lease on a portion of Tract 44607, said portion being 637.230 acres, more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.
2. Award a lease on a portion of Tract 44611, said portion being 9.370 acres, more particularly described in said bid and outlined on accompanying plat, to Hilcorp Energy I, L.P.

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.)

This concluded the awarding of the leases.

The Chairman then announced that the next order of business would be the discussion of new business:

Mr. Haik announced that he will be researching the statutory requirements in reference to authorized representatives who may sign on behalf of the Board. He stated that this may require the drafting and adoption of a future resolution requesting that all matters brought before the Board be executed by signature on behalf of the Board only by the Board's Secretary, Chairman, Vice-Chair, and/or Assistant Secretary of OMR. He further stated that this resolution shall include specifications that approval must be obtained from the Board prior to the execution of signature on behalf of the Board.

The following announcements were then made:

Mr. Boulet stated that "the total cash payments for the November 9, 2016 Lease Sale is \$131,428.00, and the year-to-date total payments for the 2017 Fiscal Year is \$696,455."

Mr. Boulet reminded the Board that ethics training must be completed by December 31, 2016.

The Chairman then stated there being no further business to come before the Board, upon motion of Ms. LeBlanc, seconded by Mr. Hollenshead, the meeting was adjourned at 12:14 p.m.

Respectfully Submitted,



David W. Boulet, Secretary
State Mineral and Energy Board

October 28, 2016

Ref: 2794-34166

Via Email and Fed Ex

Office of Mineral Resources
State Mineral Board
Attn: Anthony E. Fontenot
617 N. Third Street, 8th Floor
Baton Rouge, LA 70802

Re: Louisiana State Lease Sale - November 9, 2016
Tract No. 44607, Plaquemines Parish, Louisiana

Dear Sirs:

Please allow this letter to serve as a formal protest to the inclusion of certain lands located in Township 24 South, Range 30 East, and Township 24 South, Range 31 East, both in Plaquemines Parish, Louisiana (West Delta Block 83 Field) within the confines of Tract No. 44607 nominated for the November 9, 2016 State lease sale.

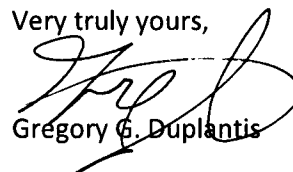
Portions of Tract No. 44607 are covered by the following leases, (collectively the "Leases"), all of which are currently held by production and described in Exhibit "A". Also attached to Exhibit "A" is a copy of Agreement (and plat) dated July 11, 1949, setting forth and depicting the agreed upon shoreline for the affected Lease (SL 2227). The Office of Mineral Resources has the original Assignment.

Attached in Exhibit "B" is a plat showing the retained acreage under the Leases.

Any mineral lease granted by the State on the above referenced nominated tract must exclude, pursuant to LAC 43:1.907, *et seq*, and La. R.S. 9:1151, the area covered by the aforementioned Leases.

Please advise if you require any further information.

Very truly yours,



Gregory G. Duplantis

GGD:kv

Enclosures (as stated)

cc: Mr. Bruce Currie
Mr. Troy Richard
Mr. Jim Cornay
Mr. Thomas Blanchet

EXHIBIT "A"

Attached to and made a part of that certain Protest Letter dated October 28, 2016
Relative to Tract 44607 of November 9, 2016

State Lease 2227

<u>Lessor</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Recorded</u>	<u>Book/Page</u>	<u>Entry No.</u>
State of Louisiana	The California Company			165/13	

STATE OF LOUISIANA,
PARISH OF EAST BATON ROUGE.

STATE LEASE No. 2227

WHEREAS, under the provisions of Chapter 2, Title 30 of the Louisiana Revised Statutes of 1950, as amended, and other applicable laws, the State Mineral Board of the State of Louisiana, advertised for bids for an oil, gas and mining lease on the hereinafter described property; and,

WHEREAS, in response to the necessary regular advertisements, bids were received at the Capitol of the State of Louisiana on the 20th day of November, 1952, at a meeting of the State Mineral Board of the State of Louisiana; and,

WHEREAS, it appears that the bid of The California Company

of the Post Office address of 600 The California Company Building, New Orleans 12, Louisiana, hereinafter referred to as Lessee, is the most advantageous to the State of Louisiana,

NOW, THEREFORE, be it known and remembered that the State Mineral Board of the State of Louisiana, acting under authority of said Chapter 2, Title 30 of the Louisiana Revised Statutes of 1950, as amended, and other applicable laws, and acting for and in behalf of the State of Louisiana, as Lessor, does hereby lease, let and grant exclusively unto the said Lessee, and Lessee's successors and assigns, for the purpose of exploring by any method for formations or structures and prospecting and drilling for, mining and producing sulphur, potash, oil, gas and any other liquid or gaseous hydrocarbon minerals, storing minerals and fluids, laying pipe lines, dredging canals, building roads, bridges, docks, tanks, power stations, telephone and electric transmission lines and other structures and facilities, including houses for employees necessary or convenient for the purpose of conducting the aforesaid operations, the following described property situated in the Parish of _____

Plaquemines, State of Louisiana, to-wit:

TRACT 5200: said Tract 5200 described as follows:

TRACT 5200 - Plaquemines Parish, Louisiana - All of the lands now or formerly constituting the beds and bottoms of all lakes, bays, coves, rivers, bayous and other water bodies of every nature and description and all islands and other lands hereinafter more particularly described, except tax lands, owned by the State of Louisiana and not under valid lease as of September 29, 1952, situated in Plaquemines Parish, Louisiana, on both sides of Southwest Pass of the Mississippi River between a line having a Lambert Coordinate of Y = 141,182.00, which line is also the South boundary of State Lease No. 1388 and a Westerly continuation thereof, and which line forms the Northerly boundary of the area herein described; and a line having a course of North 52 degrees 45 minutes 00 seconds West, passing through a point located at Longitude 89 degrees 22 minutes 30 seconds and Latitude 28 degrees 57 minutes 47 seconds, which line forms the Southerly boundary of the Area herein described, including in particular Custom House Bayou, Mud Pan Bayou, Burrwood Bayou, Bayou #3 and Lighthouse Bayou and in addition, all of the land owned by the State of Louisiana lying between the left descending shore line of Southwest Pass of the Mississippi River and the Westerly shore line of East Bay or the Gulf of Mexico, said Westerly shore line of East Bay or the Gulf of Mexico being also all or a part of the Westerly boundaries of Blocks 25, 26, and 40, South Pass Area; and between the right descending shore line of Southwest Pass of the Mississippi River and the Easterly shore line of West Bay or the Gulf of Mexico, which Easterly shore line of West Bay or the Gulf of Mexico is also all or a part of the Easterly boundaries of Blocks 53, 83, and 82 of West Delta Area, this particularization, however, not being, nor intended to be, all inclusive, said "South Pass Area" and "West Delta Area", above referred to being delineated on plats on file in the State Land Office. The State owned lands and water bottoms within said area being estimated to contain approximately 870 acres, all as more fully shown outlined in red on a plat on file in the State Land Office.

(\$18,705.00)

Dollars as the full and adequate consideration for every right granted hereunder and the same is not to be considered as mere rental for a period.

2. Subject to the other provisions hereof, this lease shall be for a term of three (3) years from the date hereof (hereinafter called "primary term") and as long thereafter as sulphur, potash, oil, gas or any other liquid or gaseous hydrocarbon mineral is produced hereunder in paying quantities or any operation conducted or payment made or condition exists which continues this lease in force, according to its terms.

3. If actual drilling or mining operations are not commenced hereunder on the leased premises in good faith on or before one year from the date hereof, this lease shall then terminate unless Lessee on or before the expiration of said period shall pay or tender to the Lessor the sum of nine thousand, three hundred fifty-two and fifty cents (\$9,352.50)

Dollars (hereinafter called "rental") which shall extend for twelve (12) months the time within which drilling or mining operations may be commenced. Thereafter, annually, in like manner and upon like payments or tenders, all of Lessee's rights hereunder may be maintained without actual drilling or mining operations for successive periods of twelve (12) months each during the primary term. Payment or tender of rental may be made by check or draft of Lessee delivered or mailed on or before the rental paying date.

STATE OF LOUISIANA,
PARISH OF EAST BATON ROUGE.

STATE LEASE No. 2227

WHEREAS, under the provisions of Chapter 2, Title 30 of the Louisiana Revised Statutes of 1950, as amended, and other applicable laws, the State Mineral Board of the State of Louisiana advertised for bids for an oil, gas and mining lease on the hereinafter described property; and,

WHEREAS, in response to the necessary regular advertisements, bids were received at the Capitol of the State of Louisiana on the 20th day of November, 1952, at a meeting of the State Mineral Board of the State of Louisiana; and,

WHEREAS, it appears that the bid of The California Company

of the Post Office address of 800 The California Company Building, New Orleans 12, Louisiana, hereinafter referred to as Lessee, is the most advantageous to the State of Louisiana,

NOW THEREFORE be it known and remembered that the State Mineral Board of the State

20.90 documentary stamps
affixed and cancelled on original.

1. Lessee has this day paid to Lessor the sum of Eighteen Thousand, Seven Hundred Five
(\$18,705.00)

Dollars as the full and adequate consideration for every right granted hereunder and the same is not to be considered as mere rental for a period.

2. Subject to the other provisions hereof, this lease shall be for a term of three (3) years from the date hereof (hereinafter called "primary term") and as long thereafter as sulphur, potash, oil, gas or any other liquid or gaseous hydrocarbon mineral is produced hereunder in paying quantities or any operation conducted or payment made or condition exists which continues this lease in force, according to its terms.

~~...~~
in good faith on or before one year from the date hereof, this lease shall then terminate unless Lessee on or before the expiration of said period shall pay or tender to the Lessor the sum of _____
Nine Thousand, Three Hundred Fifty-two and Fifty Cents (\$9,352.50)

Dollars (hereinafter called "rental") which shall extend for twelve (12) months the time within which drilling or mining operations may be commenced. Thereafter, annually, in like manner and upon like payments or tenders, all of Lessee's rights hereunder may be maintained without actual drilling or mining operations for successive periods of twelve (12) months each during the primary term. Payment or tender of rental may be made by check or draft of Lessee delivered or mailed on or before the rental paying date.

4. If on any rental paying date there be neither actual drilling, mining nor reworking operations in progress on the leased premises, nor production therefrom, this lease shall not terminate if Lessee, on or before said date, shall make or resume the payment of rental as herein set forth; provided, if drilling, reworking or mining operations be abandoned at any time within a period of ninety (90) days prior to any rental paying date, or if production ceases within such ninety (90) days, Lessee shall have a period of ninety (90) days after the date of such abandonment of operations or cessation of production within which to commence reworking or mining operations or actual drilling of another well on the leased premises, or within which to make said rental payment, and the commencement of such operations or the payment of such rental within said ninety (90) days' period shall have the same effect as though commenced or paid on or before said rental paying date. Wherever used in this lease, "reworking operations" shall be defined as reconditioning, deepening, plugging back, cleaning out or otherwise attempting in good faith to increase or restore production.

If at the expiration of the primary term sulphur, potash, oil, gas or any other liquid or gaseous hydrocarbon mineral is not being produced hereunder but on or before that date (or on or before the end of ninety (90) days following cessation of production or abandonment of a well, if a well be abandoned or production should cease within ninety (90) days prior to the expiration of the primary term), Lessee commences actual drilling, mining or reworking operations on the leased premises in search of such products, then this lease shall continue in force so long as such operations are being conducted in good faith without lapse of more than ninety (90) days between cessation of operations and their recommencement, whether on the same well or mine or on different wells or mines successively. If, after the expiration of the primary term, production hereunder should for any reason cease or terminate, Lessee shall have the right at any time within ninety (90) days from cessation of such production to resume actual drilling, mining or reworking operations in an effort to make the leased premises again produce any of such products, in which event this lease shall remain in force so long as such operations are continued as above provided. If as a result of any such operations, sulphur, potash, oil, gas or any other liquid or gaseous hydrocarbon mineral be found and produced, or the production of any of the same be restored, this lease shall continue in force so long as any of them is produced hereunder in paying quantities.

This lease may be maintained in force by directional drilling operations (deviation from vertical) in which event actual drilling shall be considered to have commenced on the leased premises when the drill stem penetrates beneath the surface of the leased premises. Lessee shall have the right and privilege to set up any necessary surface equipment and installations on the property covered by this lease for the purpose of drilling a directional well or wells in search of sulphur, potash, oil, gas or any other liquid or gaseous hydrocarbon mineral under a mineral lease or leases covering adjoining or adjacent property granted by the State and owned in whole or in part by Lessee, and to erect, construct and use such additional installations as are necessary or convenient in connection with the development, production, transporting and marketing of any and all said minerals from such adjoining or adjacent property. Such rights and privileges shall remain in full force and effect so long as this lease, or any such adjacent or adjoining lease is in force.

5. Lessee further agrees that should a well capable of producing oil or gas or other liquid hydrocarbon mineral in paying quantities be brought in within six hundred sixty (660) feet (or within any spacing or pooling unit distance as established by the Department of Conservation) of, and draining, the leased premises, on property not owned by Lessor, Lessee will begin the drilling of a well on said leased premises within ninety (90) days of the date on which said well so qualifies as a well capable of producing oil or gas or other liquid or gaseous hydrocarbon mineral in paying quantities, and in addition to the specific offset drilling obligation above provided, will drill any and all wells necessary on the premises to prevent drainage of oil, gas or other liquid or gaseous hydrocarbon mineral by a well or wells on adjacent property not owned by Lessor.

6. Lessee shall deliver to Lessor as royalty, free of cost of production:

One-eighth (1/8) of all oil, including distillate and other liquid hydrocarbons, produced and saved at the well by ordinary production methods, delivery to be understood as made when same has been received by the first purchaser thereof. Or Lessee may, in lieu of said delivery and at Lessee's option, pay to Lessor sums equal to the value thereof on the premises. The price paid Lessor shall not be less than the average posted pipe line price in the same field or loading terminal price in the same field then current for oil, including distillate or other liquid hydrocarbons, of like grade or quality.

One-eighth (1/8) of all gas produced and saved or utilized, delivery of said gas to be understood as made when same has been received by the first purchaser thereof. Or Lessee may, in lieu of said gas delivery, and at Lessee's option, pay to Lessor sums equal to the value thereof at the well; provided that the price paid Lessor for said gas shall not be less than the average price then current for gas of like character or quality delivered to the pipe line purchaser in that field. If there is on the leased premises a well or wells capable of producing gas and gas is not being used or marketed therefrom and this lease is not then being maintained by other production or operations, this lease shall, nevertheless, remain in full force and effect for a period of ninety (90) days after cessation of production or operations or the shutting in of said well and on or before the expiration of said ninety (90) day period, Lessee may pay or tender a sum equal to One Dollar (\$1.00) per acre for the number of acres then covered by this lease, but such sum shall not be less than Two Hundred Dollars (\$200.00), which payment shall maintain this lease in full force and effect for a period of six (6) months from the expiration of said ninety (90) day period, and it will be considered that gas is being produced hereunder, and such payments or tenders shall have the same effect as the production of gas, for all purposes hereof, especially under the provisions of Articles 2, 4 and 7 hereof. Thereafter, semi-annually in like manner, upon like payments or tenders, this lease may be maintained in force and effect for successive periods of six (6) months each so long as such payments are made, but not, however, exceeding six (6) successive periods. It is understood that the above provision or shut-in clause shall apply to any well where the gas/oil ratio is such that the Commissioner of Conservation will not permit the operation of such well without the use or sale of the gas.

Two Dollars (\$2.00) per long ton for all sulphur produced and saved.

Ten Cents (10¢) per ton for all potash produced and saved.

One-eighth (1/8) for any and all other liquid or gaseous hydrocarbon minerals not specifically mentioned herein, said royalties to be delivered or paid as is the accepted custom in such matters.

Additional Consideration:

7. Lessee may surrender all or any portion or portions of the leased premises at any time this lease is in effect and thereby be relieved of all obligations thereafter accruing under this lease as to the portions surrendered; provided that no partial release or surrender shall reduce, or otherwise affect, the amount of rentals provided for in Article 3 of this lease.

In the event of cancellation or forfeiture of this lease for any cause, Lessee may, nevertheless, retain hereunder 40 acres around each well producing oil and 160 acres around each well producing gas (including wells drilled under this lease by directional drilling), and in the case of any well being worked on or being drilled Lessee shall have the right to complete such operations or reworking or drilling, and in the event any such well results in a producer of oil, Lessee may retain 40 acres around such well and if any such well results in a producer of gas, Lessee may retain 160 acres around such well, such acreage to be reserved in as near a square tract as practicable with the well or wells to be as near the center of said acreage so selected as practicable; provided that if a drilling or proration unit has been assigned to any such well by the Commissioner of Conservation, Lessee may retain the acreage fixed for such drilling or proration unit.

8. It is further agreed and understood that the rights of Lessee may be assigned or transferred in whole or in part but no transfer, whether in whole or in part, of the herein leased property shall be valid unless such transfer or assignment be approved by the State Mineral Board.

9. Lessee may, with the consent and approval of the State Mineral Board, pool or combine the acreage covered by this lease, or any portion thereof, with any other property, lease or leases, or portions thereof.

10. Lessee shall have the right during or within one year after the life of this lease to remove all Lessee's property and equipment, including the right to draw and remove all casing.

THUS DONE, READ, ACCEPTED AND SIGNED by the parties hereto in the presence of the respective undersigned witnesses, as of the 22nd day of November, A. D., 1952, which shall be the date of this lease for all purposes.

WITNESSES to the signature of Lessor:

Richard G. Irwin
Donald B. Bonaccarone

STATE MINERAL BOARD
John W. Olvey Chairman
For the State of Louisiana, Lessor

WITNESSES to the signature of Lessee:

Kathlyn Mae Roome
KATHLYN MAE ROOME
Helene Hortense Jones
HELENE HORTENSE JONES

THE CALIFORNIA COMPANY
By [Signature]
Its CONTRACT AGENT
Lessee
By [Signature]
Its ASST SECRETARY

ACKNOWLEDGMENT FOR STATE MINERAL BOARD

STATE OF LOUISIANA
PARISH OF East Baton Rouge

Before me, the undersigned authority, personally came and appeared Richard G. Irwin, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw John W. Olvey sign said instrument as Chairman of the State Mineral Board for and on behalf of the State of Louisiana in the presence of appearer and Donald B. Bonaccarone the other subscribing witness.

Richard G. Irwin

Sworn to and subscribed before me on this the 22nd day of November, 1952.
Angela B. Cashis
Notary Public



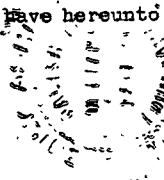
STATE OF LOUISIANA

PARISH OF Orleans

On this 4th day of December, 1952, before me appeared
K. A. MCINTYRE and J. K. ELLISON
to me personally known, who, being by me duly sworn did say that they are the
CONTRACT AGENT and ASS'T SECRETARY

respectively of
The California Company, a California corporation, and that the seal affixed to said
instrument is the corporate seal of said corporation and that said instrument was
signed and sealed in behalf of said corporation by authority of its Board of Directors
and said appearers acknowledged said instrument to be the free act and deed of said
corporation.

IN WITNESS WHEREOF I have hereunto set my official hand, and seal on the
date hereinabove written.


Emily Ashinoff
Notary Public in and for
Orleans Parish, Louisiana

ACKNOWLEDGMENT FOR INDIVIDUAL LESSEE

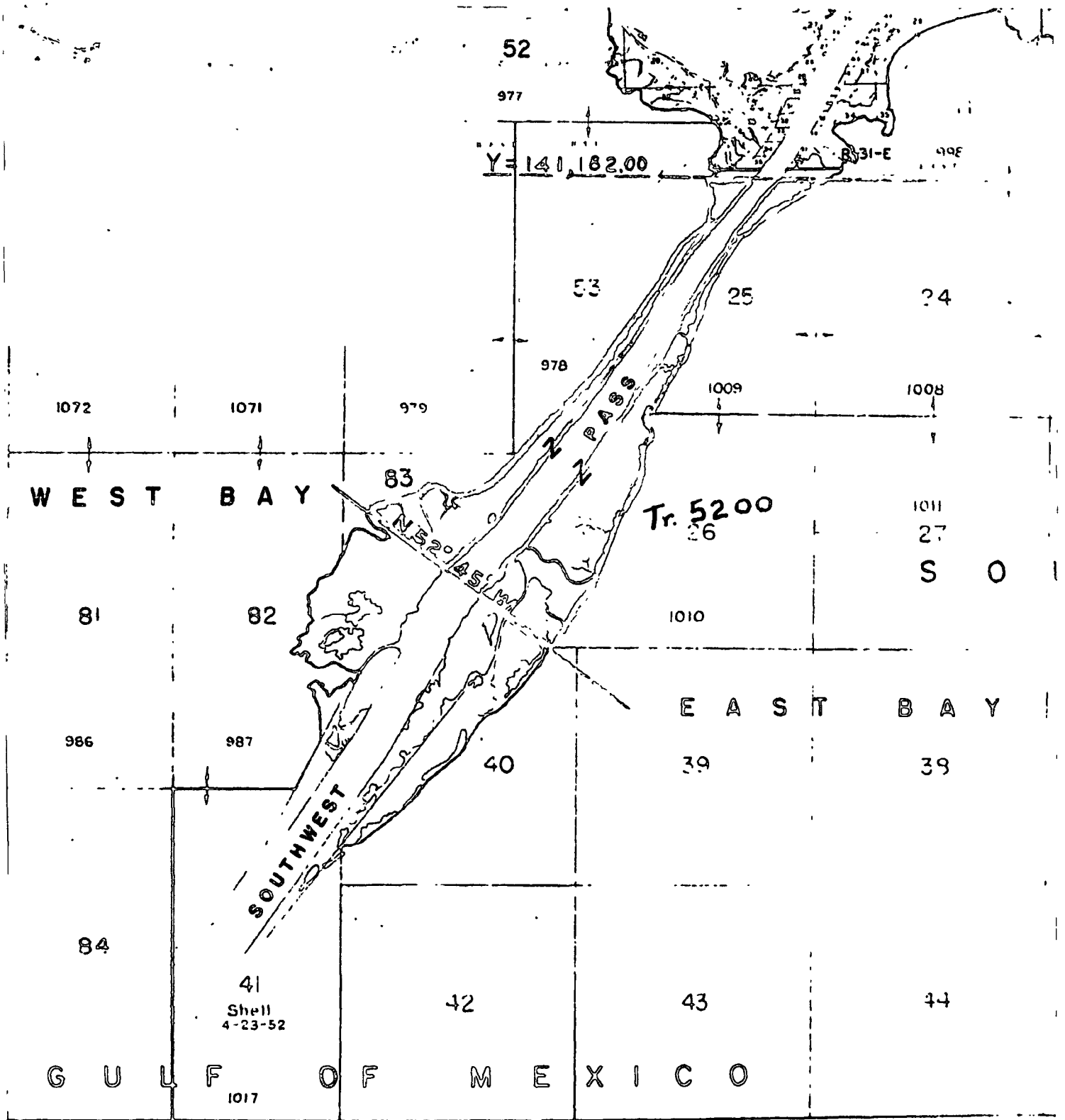
STATE OF _____
OF _____

Before me, the undersigned authority, personally came and appeared _____
_____, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw
_____ execute said instrument as his own free act and deed
in the presence of appearer and of _____, the other sub-
scribing witness.

Sworn to and subscribed before me on this the
_____ day of _____, 19____.

Notary Public



OFFICIAL COPY
 STATE LAND OFFICE
 DO NOT REMOVE

SL 2227 "A"

SL 998
"C"

RESOLUTION

Upon motion by Mr. Pentice, seconded by Mr. Berman, the State Mineral Board of the State of Louisiana unanimously adopted the following resolution:

BE IT RESOLVED that the Chairman of the Board is authorized to execute in behalf of the State of Louisiana an agreement with Shell Oil Company, Incorporated, recognizing and agreeing that the plat attached to said agreement correctly reflects in red outline thereon the placement, location and boundaries of State Leases No. 998, 999, 1009, 1010, and 1388.

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of a resolution unanimously adopted on motion duly seconded at a meeting of the State Mineral Board in the State Capitol in the City of Baton Rouge, Louisiana, on the 30th day of June, 1949, pursuant to due notice at which meeting a quorum was present, and that said resolution is duly entered in the minute book of the Board and is now in full force and effect.

W. B. Bunn
Secretary, State Mineral Board

O.S.:lh
6/21/49

State Lease

998-999-1009-
1010-1388

AGREEMENT

This agreement made and entered into this 11 day of July, 1949, by and between the State of Louisiana, herein represented by the State Mineral Board acting by and through its Chairman, duly authorized, and Shell Oil Company, Incorporated, herein called "Shell".

W I T N E S S E T H:

Shell is the holder and owner, as lessee, of the following described oil, gas and mineral leases, granted to it by the State of Louisiana, as lessor, to-wit:

1. State Lease No. 998 dated April 23, 1947, recorded in Volume 126, page 45 of the Conveyance Records of Plaquemines Parish, Louisiana.
2. State Lease No. 999 dated April 23, 1947, recorded in Volume 126, page 50 of the Conveyance Records of Plaquemines Parish, Louisiana.
3. State Lease No. 1009 dated April 23, 1947, recorded in Volume 126, page 85 of the Conveyance Records of Plaquemines Parish, Louisiana.
4. State Lease No. 1010 dated April 23, 1947, recorded in Volume 126, page 90 of the Conveyance Records of Plaquemines Parish, Louisiana.
5. State Lease No. 1388 dated March 15, 1948, recorded in Volume 132, page 41 of the Conveyance Records of Plaquemines Parish, Louisiana.

The description in each of said leases is tied in to the shore line along Southwest Pass at certain points. In January 1949, Shell had a survey made of said leased tracts by a licensed surveyor whose survey revealed that the shore line in the area under consideration has changed in certain places so that the actual shore line at the date of said survey was different in some respects than shown on the plats which formed a part of the description whereunder said leased tracts were advertised for letting, and the parties hereto have agreed that the plat attached hereto and made a part hereof and signed by the parties for identification herewith correctly reflects in red outline the placement, location

and boundaries of said leases.

NOW, THEREFORE, in consideration of the premises the parties agree that the plat attached hereto and made a part hereof correctly reflects in red outline the placement, location and boundaries of the aforementioned mineral leases.

THUS DONE AND EXECUTED in the presence of the undersigned competent witnesses on the date hereinabove first written.

WITNESSES:

M. J. Bonnacore
Henry L. Offord

STATE MINERAL BOARD, ACTING FOR
THE STATE OF LOUISIANA

By Albaccino
Chairman

Josephine Hayes
C. M. Whilden

SHELL OIL COMPANY, Incorporated

By As King
Attorney in Fact

STATE OF LOUISIANA

PARISH OF East Baton Rouge

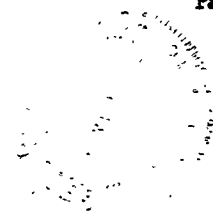
BEFORE ME, the undersigned authority, personally came and appeared M. J. Bonnacore, who being by me first duly sworn, deposed and said:

That he is one of the subscribing witnesses to the signature of O. S. Collins, Chairman of the State Mineral Board, acting for and on behalf of the State of Louisiana, in the above and foregoing document; that he saw the said O. S. Collins execute said document in his said representative capacity and that appearer signed same, together with Henry L. Offord, the other subscribing witness.

M. J. Bonnacore

Sworn to and subscribed before me this 11th day of July, 1949.

Griffin M. Waller
Notary Public in and for
Parish, Louisiana



TEXAS
STATE OF LOUISIANA
~~PARISH OF ORLEANS~~
COUNTY OF AMARRI

BEFORE ME, the undersigned authority, on this day personally
appeared R.H. WHILDEN, known to me to be the person whose
name is subscribed to the foregoing instrument as an attesting witness, who
being first duly sworn, on his oath says:

^{A.E. JAGO}
A.E. JAGO That he personally knows ~~Dr. JAGO~~ and that he saw the said
~~Dr. JAGO~~ sign and execute the foregoing instrument as Attorney-in-Fact for
and as the free act and deed of Shell Oil Company, Incorporated, and that he,
the said R.H. WHILDEN, subscribed his name to the same at the same
time as an attesting witness, along with JOSEPHINE HUGHES, the other
subscribing witness.

R.H. Whilden
Affiant

Sworn to and subscribed before me this 20th day of JULY

1949.

Evelyn Marquart
Notary Public in and for Orleans
Parish, Louisiana.

EVELYN MARQUART
Notary Public, in and for Orleans Parish, Louisiana.

T 23 S R 31 E

T 23 S R 32 E



To certify 1926 Agreement Between The State of Louisiana and Shell Oil Company, Inc. Dated (May 27) July 1923

State of Louisiana, Board
 By [Signature]
 Chairman
 Shell Oil Company, Incorporated
 By [Signature]
 Attorney-in-Chief

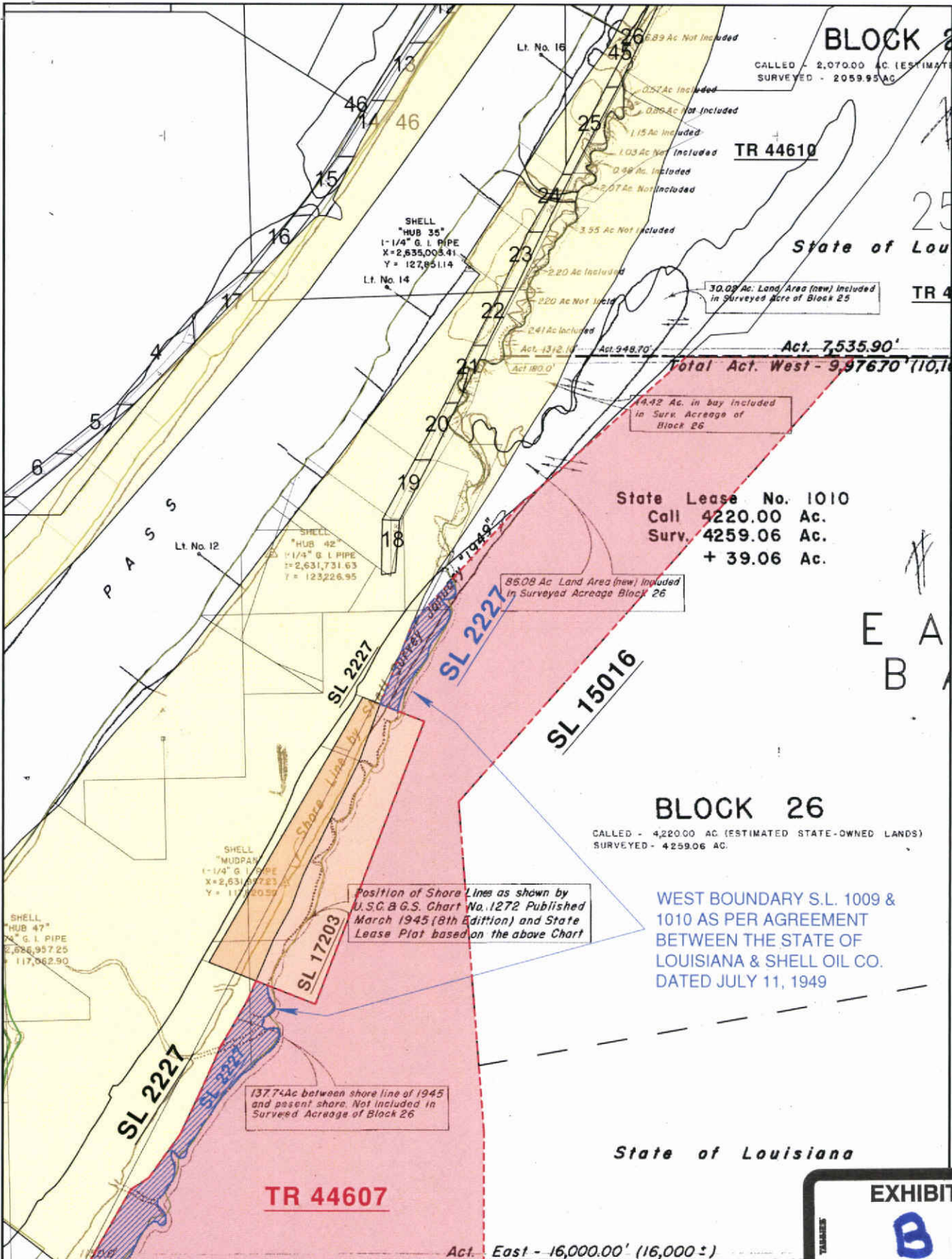
SHELL OIL COMPANY, INC.
 LAND DEPARTMENT
 SANSBERRY DIVISION
 NEW ORLEANS
 BLOCK 12
 EAST BAY AREA
 PLACEMINE, LA
 SHELL OIL CO. INC. ENGINEER, MAP
 J. C. SHAW
 L. S. BROWN

SCALE: 1" = 5000 FEET

This is to certify that J. C. Shaw
 is Licensed Land Surveyor, State of Louisiana, and is hereby certifying to the correctness of this map.

There has no claim outstanding against this tract of land. H. H. Hays, Engineer, State Mineral Board, 6/20/44

SL 978 C



BLOCK 26
 CALLED - 2,070.00 AC (ESTIMATE)
 SURVEYED - 2059.95 AC

TR 44610

State of Louisiana

TR 44607

Act. 7,535.90'
 Total Act. West - 9,976.70' (10,100')

State Lease No. 1010
 Call 4220.00 Ac.
 Surv. 4259.06 Ac.
 + 39.06 Ac.

BLOCK 26

CALLLED - 4,220.00 AC (ESTIMATED STATE-OWNED LANDS)
 SURVEYED - 4259.06 AC





WEST BOUNDARY S.L. 1009 &
 1010 AS PER AGREEMENT
 BETWEEN THE STATE OF
 LOUISIANA & SHELL OIL CO.
 DATED JULY 11, 1949

State of Louisiana

TR 44607

Act. East - 16,000.00' (16,000 ±)

EXHIBIT
B

-  AREA OF ENCROACHMENT
-  STATE LEASE 2227
-  STATE LEASE 17203
-  NOMINATED TRACT

HILCORP ENERGY COMPANY
 AREA OF ENCROACHMENT
 11/9/2016 STATE LEASE SALE
 TRACT 44607
 West Delta Block 83 & Burrwood Fields
 Plaquemines Parish, LA
 Scale 1" = 1500'
 prepared by: Guardian Land Services, Inc.
 dated: October 11, 2016

PIPE
 80.60
 85.43

October 28, 2016

Ref: 2794-34166

Via Email and Fed Ex

Office of Mineral Resources
State Mineral Board
Attn: Anthony E. Fontenot
617 N. Third Street, 8th Floor
Baton Rouge, LA 70802

Re: Louisiana State Lease Sale - November 9, 2016
Tract No. 44610, Plaquemines Parish, Louisiana

Dear Sirs:

Please allow this letter to serve as a formal protest to the inclusion of certain lands located in Township 24 South, Range 31 East, Plaquemines Parish, Louisiana (West Delta Block 83 Field) within the confines of Tract No. 44610 nominated for the November 9, 2016 State lease sale.

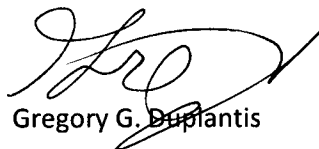
Portions of Tract No. 44610 are covered by the following leases, (collectively the "Leases"), all of which are currently held by production and described in Exhibit "A". Also attached to Exhibit "A" is a copy of Agreement (and plat) dated July 11, 1949, setting forth and depicting the agreed upon shoreline for the affected Leases (SL 2227 and SL 1009).

Attached in Exhibit "B" is a plat showing the retained acreage under the Leases.

Any mineral lease granted by the State on the above referenced nominated tract must exclude, pursuant to LAC 43:1.907, *et seq*, and La. R.S. 9:1151, the area covered by the aforementioned Leases.

Please advise if you require any further information.

Very truly yours,



Gregory G. Duplantis

GGD:kv

Enclosures (as stated)

cc: Mr. Bruce Currie
Mr. Troy Richard
Mr. Jim Cornay
Mr. Thomas Blanchet

EXHIBIT "A"

Attached to and made a part of that certain Protest Letter dated October 28, 2016
Relative to Tract 44610 of November 9, 2016

State Lease 2227

<u>Lessor</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Recorded</u>	<u>Book/Page</u>	<u>Entry No.</u>
State of Louisiana	The California Company			165/13	

State Lease 1009

<u>Lessor</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Recorded</u>	<u>Book/Page</u>	<u>Entry No.</u>
State of Louisiana	Shell Oil Company			126/85	

STATE OF LOUISIANA,
PARISH OF EAST BATON ROUGE.

STATE LEASE No. 2227

WHEREAS, under the provisions of Chapter 2, Title 30 of the Louisiana Revised Statutes of 1950, as amended, and other applicable laws, the State Mineral Board of the State of Louisiana, advertised for bids for an oil, gas and mining lease on the hereinafter described property; and,

WHEREAS, in response to the necessary regular advertisements, bids were received at the Capitol of the State of Louisiana on the 20th day of November, 1952, at a meeting of the State Mineral Board of the State of Louisiana; and,

WHEREAS, it appears that the bid of The California Company

of the Post Office address of 800 The California Company Building, New Orleans 12, Louisiana, hereinafter referred to as Lessee, is the most advantageous to the State of Louisiana,

NOW, THEREFORE, be it known and remembered that the State Mineral Board of the State of Louisiana, acting under authority of said Chapter 2, Title 30 of the Louisiana Revised Statutes of 1950, as amended, and other applicable laws, and acting for and in behalf of the State of Louisiana, as Lessor, does hereby lease, let and grant exclusively unto the said Lessee, and Lessee's successors and assigns, for the purpose of exploring by any method for formations or structures and prospecting and drilling for, mining and producing sulphur, potash, oil, gas and any other liquid or gaseous hydrocarbon minerals, storing minerals and fluids, laying pipe lines, dredging canals, building roads, bridges, docks, tanks, power stations, telephone and electric transmission lines and other structures and facilities, including houses for employees necessary or convenient for the purpose of conducting

the aforesaid operations, the following described property situated in the Parish of _____
Plaquemines, State of Louisiana, to-wit:

TRACT 5200 - said Tract 5200 described as follows:

TRACT 5200 - Plaquemines Parish, Louisiana - All of the lands now or formerly constituting the beds and bottoms of all lakes, bays, coves, rivers, bayous and other water bodies of every nature and description and all islands and other lands herein-after more particularly described, except tax lands, owned by the State of Louisiana and not under valid lease as of September 29, 1952, situated in Plaquemines Parish, Louisiana, on both sides of Southwest Pass of the Mississippi River between a line having a Lambert Coordinate of Y = 141,182.00, which line is also the South boundary of State Lease No. 1388 and a Westerly continuation thereof, and which line forms the Northerly boundary of the area herein described; and a line having a course of North 52 degrees 45 minutes 00 seconds West, passing through a point located at Longitude 89 degrees 22 minutes 30 seconds and Latitude 28 degrees 57 minutes 47 seconds, which line forms the Southerly boundary of the Area herein described, including in particular Custom House Bayou, Mud Pan Bayou, Burrwood Bayou, Bayou #3 and Lighthouse Bayou and in addition, all of the land owned by the State of Louisiana lying between the left descending shore line of Southwest Pass of the Mississippi River and the Westerly shore line of East Bay or the Gulf of Mexico, said Westerly shore line of East Bay or the Gulf of Mexico being also all or a part of the Westerly boundaries of Blocks 25, 26, and 40, South Pass Area; and between the right descending shore line of Southwest Pass of the Mississippi River and the Easterly shore line of West Bay or the Gulf of Mexico, which Easterly shore line of West Bay or the Gulf of Mexico is also all or a part of the Easterly boundaries of Blocks 53, 83, and 82 of West Delta Area, this particularization, however, not being, nor intended to be, all inclusive, said "South Pass Area" and "West Delta Area", above referred to being delineated on plats on file in the State Land Office. The State owned lands and water bottoms within said area being estimated to contain approximately 870 acres, all as more fully shown outlined in red on a plat on file in the State Land Office.

(\$18,705.00)

Dollars as the full and adequate consideration for every right granted hereunder and the same is not to be considered as mere rental for a period.

2. Subject to the other provisions hereof, this lease shall be for a term of three (3) years from the date hereof (hereinafter called "primary term") and as long thereafter as sulphur, potash, oil, gas or any other liquid or gaseous hydrocarbon mineral is produced hereunder in paying quantities or any operation conducted or payment made or condition exists which continues this lease in force, according to its terms.

3. If actual drilling operations are not commenced hereunder on the leased premises in good faith on or before one year from the date hereof, this lease shall then terminate unless Lessee on or before the expiration of said period shall pay or tender to the Lessor the sum of nine thousand, three hundred fifty-two and fifty cents (\$9,352.50)

Dollars (hereinafter called "rental") which shall extend for twelve (12) months the time within which drilling or mining operations may be commenced. Thereafter, annually, in like manner and upon like payments or tenders, all of Lessee's rights hereunder may be maintained without actual drilling or mining operations for successive periods of twelve (12) months each during the primary term. Payment or tender of rental may be made by check or draft of Lessee delivered or mailed on or before the rental paying date.

STATE OF LOUISIANA,
PARISH OF EAST BATON ROUGE.

STATE LEASE No. 2227

WHEREAS, under the provisions of Chapter 2, Title 30 of the Louisiana Revised Statutes of 1950, as amended, and other applicable laws, the State Mineral Board of the State of Louisiana advertised for bids for an oil, gas and mining lease on the hereinafter described property; and,

WHEREAS, in response to the necessary regular advertisements, bids were received at the Capitol of the State of Louisiana on the 20th day of November, 1952, at a meeting of the State Mineral Board of the State of Louisiana; and,

WHEREAS, it appears that the bid of The California Company

of the Post Office address of 800 The California Company Building, New Orleans 12, Louisiana, hereinafter referred to as Lessee, is the most advantageous to the State of Louisiana,

NOW THEREFORE be it known and remembered that the State Mineral Board of the State

20.90 documentary stamps
affixed and cancelled on original.

1. Lessee has this day paid to Lessor the sum of **Eighteen Thousand, Seven Hundred Five**
(\$18,705.00)

Dollars as the full and adequate consideration for every right granted hereunder and the same is not to be considered as mere rental for a period.

2. Subject to the other provisions hereof, this lease shall be for a term of three (3) years from the date hereof (hereinafter called "primary term") and as long thereafter as sulphur, potash, oil, gas or any other liquid or gaseous hydrocarbon mineral is produced hereunder in paying quantities or any operation conducted or payment made or condition exists which continues this lease in force, according to its terms.

~~...~~
in good faith on or before one year from the date hereof, this lease shall then terminate unless Lessee on or before the expiration of said period shall pay or tender to the Lessor the sum of **Nine Thousand, Three Hundred Fifty-two and Fifty Cents (\$9,352.50)**

Dollars (hereinafter called "rental") which shall extend for twelve (12) months the time within which drilling or mining operations may be commenced. Thereafter, annually, in like manner and upon like payments or tenders, all of Lessee's rights hereunder may be maintained without actual drilling or mining operations for successive periods of twelve (12) months each during the primary term. Payment or tender of rental may be made by check or draft of Lessee delivered or mailed on or before the rental paying date.

4. If on any rental paying date there be neither actual drilling, mining nor reworking operations in progress on the leased premises, nor production therefrom, this lease shall not terminate if Lessee, on or before said date, shall make or resume the payment of rental as herein set forth; provided, if drilling, reworking or mining operations be abandoned at any time within a period of ninety (90) days prior to any rental paying date, or if production ceases within such ninety (90) days, Lessee shall have a period of ninety (90) days after the date of such abandonment of operations or cessation of production within which to commence reworking or mining operations or actual drilling of another well on the leased premises, or within which to make said rental payment, and the commencement of such operations or the payment of such rental within said ninety (90) days' period shall have the same effect as though commenced or paid on or before said rental paying date. Wherever used in this lease, "reworking operations" shall be defined as reconditioning, deepening, plugging back, cleaning out or otherwise attempting in good faith to increase or restore production.

If at the expiration of the primary term sulphur, potash, oil, gas or any other liquid or gaseous hydrocarbon mineral is not being produced hereunder but on or before that date (or on or before the end of ninety (90) days following cessation of production or abandonment of a well, if a well be abandoned or production should cease within ninety (90) days prior to the expiration of the primary term), Lessee commences actual drilling, mining or reworking operations on the leased premises in search of such products, then this lease shall continue in force so long as such operations are being conducted in good faith without lapse of more than ninety (90) days between cessation of operations and their recommencement, whether on the same well or mine or on different wells or mines successively. If, after the expiration of the primary term, production hereunder should for any reason cease or terminate, Lessee shall have the right at any time within ninety (90) days from cessation of such production to resume actual drilling, mining or reworking operations in an effort to make the leased premises again produce any of such products, in which event this lease shall remain in force so long as such operations are continued as above provided. If as a result of any such operations, sulphur, potash, oil, gas or any other liquid or gaseous hydrocarbon mineral be found and produced, or the production of any of the same be restored, this lease shall continue in force so long as any of them is produced hereunder in paying quantities.

This lease may be maintained in force by directional drilling operations (deviation from vertical) in which event actual drilling shall be considered to have commenced on the leased premises when the drill stem penetrates beneath the surface of the leased premises. Lessee shall have the right and privilege to set up any necessary surface equipment and installations on the property covered by this lease for the purpose of drilling a directional well or wells in search of sulphur, potash, oil, gas or any other liquid or gaseous hydrocarbon mineral under a mineral lease or leases covering adjoining or adjacent property granted by the State and owned in whole or in part by Lessee, and to erect, construct and use such additional installations as are necessary or convenient in connection with the development, production, transporting and marketing of any and all said minerals from such adjoining or adjacent property. Such rights and privileges shall remain in full force and effect so long as this lease, or any such adjacent or adjoining lease is in force.

5. Lessee further agrees that should a well capable of producing oil or gas or other liquid hydrocarbon mineral in paying quantities be brought in within six hundred sixty (660) feet (or within any spacing or pooling unit distance as established by the Department of Conservation) of, and draining, the leased premises, on property not owned by Lessor, Lessee will begin the drilling of a well on said leased premises within ninety (90) days of the date on which said well so qualifies as a well capable of producing oil or gas or other liquid or gaseous hydrocarbon mineral in paying quantities, and in addition to the specific offset drilling obligation above provided, will drill any and all wells necessary on the premises to prevent drainage of oil, gas or other liquid or gaseous hydrocarbon mineral by a well or wells on adjacent property not owned by Lessor.

6. Lessee shall deliver to Lessor as royalty, free of cost of production:

One-eighth (1/8) of all oil, including distillate and other liquid hydrocarbons, produced and saved at the well by ordinary production methods, delivery to be understood as made when same has been received by the first purchaser thereof. Or Lessee may, in lieu of said delivery and at Lessee's option, pay to Lessor sums equal to the value thereof on the premises. The price paid Lessor shall not be less than the average posted pipe line price in the same field or loading terminal price in the same field then current for oil, including distillate or other liquid hydrocarbons, of like grade or quality.

One-eighth (1/8) of all gas produced and saved or utilized, delivery of said gas to be understood as made when same has been received by the first purchaser thereof. Or Lessee may, in lieu of said gas delivery, and at Lessee's option, pay to Lessor sums equal to the value thereof at the well; provided that the price paid Lessor for said gas shall not be less than the average price then current for gas of like character or quality delivered to the pipe line purchaser in that field. If there is on the leased premises a well or wells capable of producing gas and gas is not being used or marketed therefrom and this lease is not then being maintained by other production or operations, this lease shall, nevertheless, remain in full force and effect for a period of ninety (90) days after cessation of production or operations or the shutting in of said well and on or before the expiration of said ninety (90) day period, Lessee may pay or tender a sum equal to One Dollar (\$1.00) per acre for the number of acres then covered by this lease, but such sum shall not be less than Two Hundred Dollars (\$200.00), which payment shall maintain this lease in full force and effect for a period of six (6) months from the expiration of said ninety (90) day period, and it will be considered that gas is being produced hereunder, and such payments or tenders shall have the same effect as the production of gas, for all purposes hereof, especially under the provisions of Articles 2, 4 and 7 hereof. Thereafter, semi-annually in like manner, upon like payments or tenders, this lease may be maintained in force and effect for successive periods of six (6) months each so long as such payments are made, but not, however, exceeding six (6) successive periods. It is understood that the above provision or shut-in clause shall apply to any well where the gas/oil ratio is such that the Commissioner of Conservation will not permit the operation of such well without the use or sale of the gas.

Two Dollars (\$2.00) per long ton for all sulphur produced and saved.

Ten Cents (10¢) per ton for all potash produced and saved.

One-eighth (1/8) for any and all other liquid or gaseous hydrocarbon minerals not specifically mentioned herein, said royalties to be delivered or paid as is the accepted custom in such matters.

Additional Consideration:

7. Lessee may surrender all or any portion or portions of the leased premises at any time this lease is in effect and thereby be relieved of all obligations thereafter accruing under this lease as to the portions surrendered; provided that no partial release or surrender shall reduce, or otherwise affect, the amount of rentals provided for in Article 3 of this lease.

In the event of cancellation or forfeiture of this lease for any cause, Lessee may, nevertheless, retain hereunder 40 acres around each well producing oil and 160 acres around each well producing gas (including wells drilled under this lease by directional drilling), and in the case of any well being worked on or being drilled Lessee shall have the right to complete such operations or reworking or drilling, and in the event any such well results in a producer of oil, Lessee may retain 40 acres around such well and if any such well results in a producer of gas, Lessee may retain 160 acres around such well, such acreage to be reserved in as near a square tract as practicable with the well or wells to be as near the center of said acreage so selected as practicable; provided that if a drilling or proration unit has been assigned to any such well by the Commissioner of Conservation, Lessee may retain the acreage fixed for such drilling or proration unit.

8. It is further agreed and understood that the rights of Lessee may be assigned or transferred in whole or in part but no transfer, whether in whole or in part, of the herein leased property shall be valid unless such transfer or assignment be approved by the State Mineral Board.

9. Lessee may, with the consent and approval of the State Mineral Board, pool or combine the acreage covered by this lease, or any portion thereof, with any other property, lease or leases, or portions thereof.

10. Lessee shall have the right during or within one year after the life of this lease to remove all Lessee's property and equipment, including the right to draw and remove all casing.

THUS DONE, READ, ACCEPTED AND SIGNED by the parties hereto in the presence of the respective undersigned witnesses, as of the 22nd day of November, A. D., 1952, which shall be the date of this lease for all purposes.

WITNESSES to the signature of Lessor:

Richard G. Irwin
Donald B. Bonnacarrue

STATE MINERAL BOARD
John W. Olvey Chairman
For the State of Louisiana, Lessor

WITNESSES to the signature of Lessee:

Kathlyn Mae Roome
KATHLYN MAE ROOME
Helen Hortense Jones
HELEN HORTENSE JONES

By [Signature]
Its CONTRACT AGENT
By [Signature]
Its ASST SECRETARY
Lessee

ACKNOWLEDGMENT FOR STATE MINERAL BOARD

STATE OF LOUISIANA
PARISH OF East Baton Rouge

Before me, the undersigned authority, personally came and appeared Richard G. Irwin, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw John W. Olvey sign said instrument as Chairman of the State Mineral Board for and on behalf of the State of Louisiana in the presence of appearer and Donald B. Bonnacarrue the other subscribing witness.

Richard G. Irwin

Sworn to and subscribed before me on this the 22 day of November, 1952.
Angela B. Cashin
Notary Public

~~STATE OF LOUISIANA~~

STATE OF LOUISIANA

PARISH OF Orleans

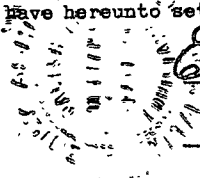
On this 4th day of December, 1952, before me appeared

K. A. McINTYRE and J. K. ELLISON

to me personally known, who, being by me duly sworn did say that they are the
CONTRACT AGENT and ASS'T SECRETARY, respectively of

The California Company, a California corporation, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said appears acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF I have hereunto set my official hand and seal on the date hereinabove written.


Emily Ashworth
Notary Public in and for
Orleans Parish, Louisiana

ACKNOWLEDGMENT FOR INDIVIDUAL LESSEE

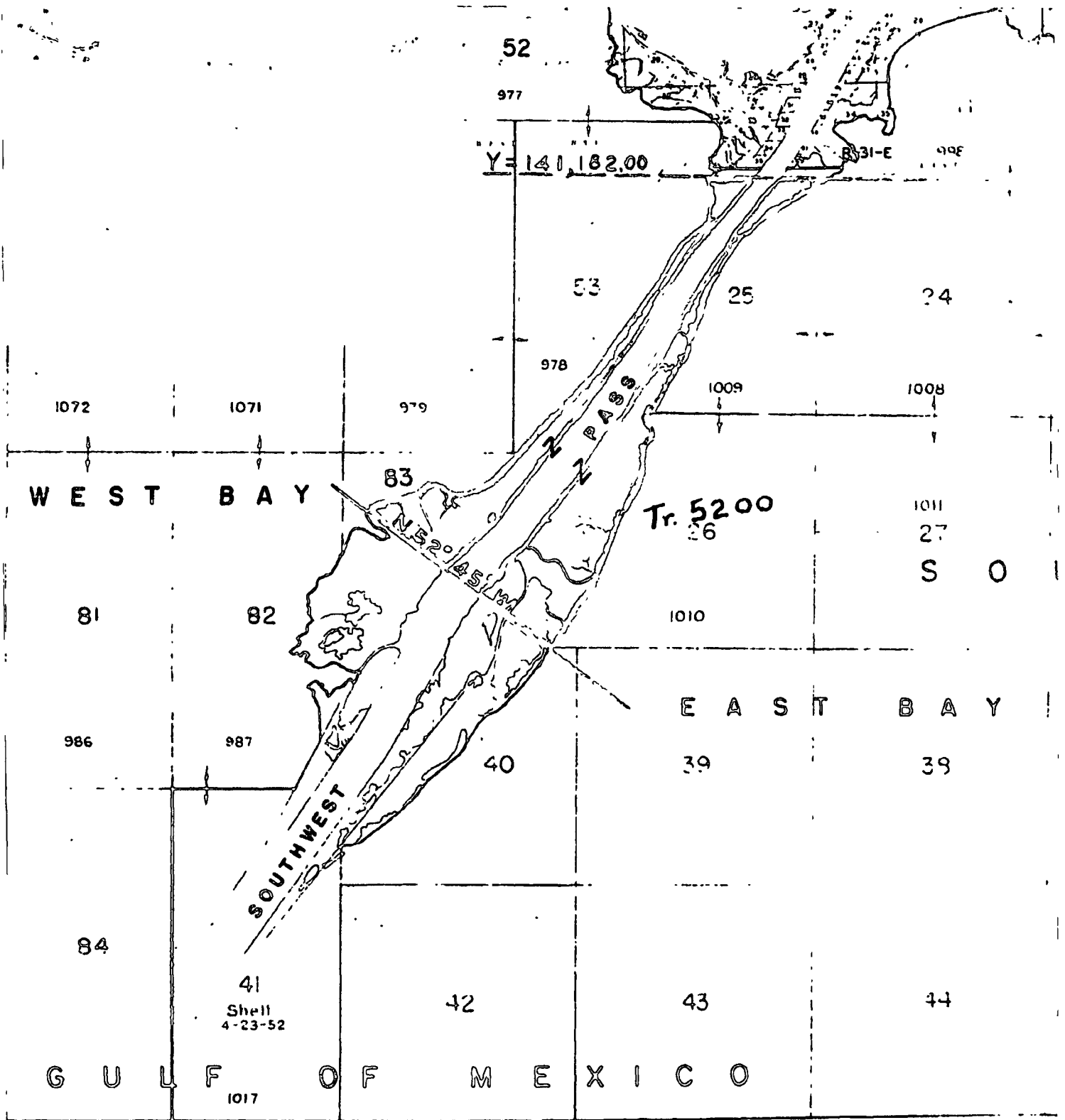
STATE OF _____
OF _____

Before me, the undersigned authority, personally came and appeared _____
_____, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw _____
execute said instrument as his own free act and deed
in the presence of appearer and of _____, the other sub-
scribing witness.

Sworn to and subscribed before me on this the _____
day of _____, 19____.

Notary Public



OFFICIAL COPY
 STATE LAND OFFICE
 DO NOT REMOVE

SL 2227 "A"

E-7292
"A"

STATE OF LOUISIANA.
PARISH OF EAST BATON ROUGE.

STATE LEASE No. 1009

WHEREAS, under the provisions of Act No. 93 of the Regular Legislative Session of 1936, as amended, application was made to the STATE MINERAL BOARD for a lease of the hereinafter described lands, and a report thereon having been made by the Register of the State Land Office, and,

WHEREAS, in response to said advertisements, bids were received at the State Capitol on the 17th day of March 1947, at a meeting of the STATE MINERAL BOARD, and,

WHEREAS, it appears that the bid of Shell Oil Company

of Houston, Texas

hereinafter styled "lessee", is the most advantageous to the State of Louisiana;

NOW, THEREFORE, BE IT KNOWN AND REMEMBERED, that the said STATE MINERAL BOARD, acting under the authority of the said Act No. 93 of the Regular Session of 1936, as amended, and in accordance with the terms thereof, and acting in behalf of the State of Louisiana

as "lessor", does hereby let and lease unto the said lessee, (its) heirs and assigns the hereinafter described property, for the purpose of exploiting the same by geophysical means in locating mineral bearing structure thereon, and for producing therefrom sulphur, potash, oil, gas and/or other liquid or gaseous hydro-carbon minerals, in and under said lands, and also the exclusive right of drilling and operating thereon for sulphur, potash, oil, gas and/or other liquid or gaseous hydro-carbon minerals, together with a right of way for, and the right to lay pipelines to convey water, oil, gas, steam and sulphur, and the right to have sufficient water from the premises to drill and operate any wells which the said lessee may bore thereon, and also such other privileges as are reasonably requisite for conducting such operations, and the right to remove from said premises at any time any and all property that may have been placed thereon by lessee, provided that the said lessee shall have fulfilled its obligations to lessor hereunder.

The said property to which this instrument applies is located in Plaquemines parish and is described as follows:

SOUTH PASS AREA

Tract 1710 -

TRACT 1718, (BLOCK 25). GULF OF MEXICO, STATE OF LOUISIANA -
Beginning at a point on the West shore line of East Bay, 19,397.66 feet West of and 37,413.99 feet South of U.S.C. & G.S. triangulation station "HEAD"; Thence South 14,758.00 feet; Thence West 10,100 feet, more or less, to a point on the shore line; Thence in a Northeasterly direction with the shore line to the place of beginning, containing 2,070 acres, more or less. All bearings are based on Louisiana (Lambert) Coordinate System.

[Handwritten signature]

D-1

TO HAVE AND TO HOLD unto the said lessee, (its) heirs and assigns, for the term and under the conditions hereinafter set forth, to-wit:

I.

Lessee has this day paid to lessor the sum of eight thousand, eight hundred and ninety-seven and fifty cents (\$8,897.50) Dollars for the right to begin the drilling of a well on the herein leased premises at any time within one (1) year from the date hereof, said sum also being part consideration for lessee's right to delay such drilling operations under the conditions hereinafter provided.

Should lessee fail to begin the actual drilling (spudding in) of a well on these premises within the one (1) year above provided, then this lease shall terminate as to both parties, lessor and lessee, unless on or before such anniversary date lessee pays to lessor the sum of

four thousand, four hundred and forty-eight and seventy-five cents (\$4,448.75) Dollars (herein called rental), which payment shall cover the privilege of deferring commencement of drilling operations (as above defined) for a period of twelve (12) months. In like manner, and upon like payments annually, the commencement of drilling operations may be further deferred for successive periods of twelve (12) months each, during the primary term of this lease, which primary term is hereby declared to be ~~thirteen~~ ^{five (5)} years from the date hereof.

If during the primary term of this lease as above set forth, lessee shall begin actual drilling on the premises and shall thereafter cease such drilling operations for more than sixty (60) days, prior to developing and producing sulphur, potash, oil, gas and/or other liquid or gaseous hydro-carbon mineral in paying quantities, then the said lessee may continue its rights in effect for the remainder of the primary term of this lease by resuming payments as above provided, and by paying to lessor, within sixty (60) days from the cessation of drilling operations, the payment for the current period which lessee must have paid to maintain its rights had lessee begun no such operations.

II.

Upon beginning the drilling of a well within the time specified by this lease, then lessee shall have the right to make as many attempts to develop, sulphur, potash, oil, gas and/or other liquid or gaseous hydro-carbon minerals as lessee pleases, even beyond said primary term as above set forth, and to continue the exercise of such rights as long as it pleases, provided, however, that except as otherwise provided herein, such attempts shall be successive in the sense that until sulphur, potash, oil, gas and/or other liquid or gaseous hydro-carbon mineral is being produced in paying quantities, not more than sixty (60) days shall lapse from the date of cessation of work on one well and the beginning of drilling operations (as above defined) on another, or of reworking operations on the same well, and provided further, that such operations shall be carried out diligently and in good faith in an effort to develop the premises as herein contemplated.

If in the exercise of the rights herein granted, minerals be developed or produced in paying quantities in or on the premises, the said lessee binds itself to thereafter proceed to further develop the said premises with reasonable diligence and to so continue until a reasonable development of the property has been accomplished.

Lessee further agrees that should a well capable of producing oil or gas or other liquid hydro-carbon mineral in paying quantities be brought in within six hundred sixty (660) feet (or within any spacing or pooling unit distance as established by the Department of Conservation) of the leased premises, it will begin the drilling of a well on said leased premises within sixty (60) days of the date on which said well so qualifies as a well capable of producing oil or gas or other liquid or gaseous hydro-carbon mineral in paying quantities, and in addition to the specific offset drilling obligation above provided, will drill any and all wells necessary on the premises to prevent drainage of oil, gas and/or other liquid or gaseous hydro-carbon mineral by a well or wells on adjacent property.

III.

Should sulphur, potash, oil, gas and/or other liquid hydro-carbon mineral be produced in paying quantities on the premises hereunder, then the said lessee shall deliver to lessor as royalty, free of expense:

One-eighth (1/8) of all oil produced and saved, including distillate or other liquid hydro-carbons, delivery of said oil to be understood as made when same has been received by the first purchaser thereof. Or lessee may, in lieu of said oil delivery, and at its option, pay to lessor sums equal to the value thereof on the premises; provided no deductions or charges shall be made for gathering or transporting said oil to the purchaser thereof, or loading terminal, nor shall any deductions whatsoever be made chargeable to lessor; provided further, that the price paid lessor for said oil shall not be less than the average posted pipe-line or loading terminal price then current for oil of like grade or quality.

One-eighth (1/8) of all gas produced and saved or utilized, delivery of said gas to be understood as made when same has been received by the first purchaser thereof. Or lessee may in lieu of said gas delivery, and at its option, pay to lessor sums equal to the value thereof at the well, provided no gathering or other charges are made chargeable to lessor; provided further that the price paid lessor for said gas shall not be less than the average price then current for gas of like character or quality delivered to the pipe line purchaser in that field. Lessee shall however when a market cannot be secured for gas and gas produced is not being utilized or sold on or off the premises, pay lessor, "lieu royalty" at the rate of Two Hundred (\$200.00) Dollars per year, payable quarterly, for each well capable of producing gas only.

One (1) Dollar (.1.00) per long ton for all sulphur produced and saved.

Ten (10) cents per ton for all potash produced and saved.

One-eighth (1/8) of any and all other liquid or gaseous hydro-carbon minerals not specifically mentioned, said royalties to be delivered or paid as is the accepted custom in such matters.

IV.

It is expressly understood and agreed that about, (on or before) the expiration of the primary term hereof, lessee shall declare in writing that portion or portions of the property herein leased, if any, are not at such time, in lessee's judgment developed, the lessee, in so declaring, to make known to lessor the existence of any Domes, and/or other Structure favorable for accumulation of minerals.

on or under the premises of which lessee may have knowledge, and to declare whether the same be by lessee deemed capable of development as herein understood (should lessee fail to make such required declaration, then this lease shall ipso facto terminate except as to acreage lessee is specifically allowed to retain as set forth in paragraphs numbered V and VI hereof), and if there shall be any portion or portions of the premises remaining undeveloped and capable of development and this lease has been kept in force and effect by production or drilling operations, then lessee shall proceed immediately to develop the remainder of said property as contemplated herein, and lessee shall then release, by proper instrument, from the effect of this lease, any portion or portions of the premises not already under active development or included within the above described declaration as being capable of further development.

V.

Should lessee, at any time after beginning to exploit the premises as understood herein, decide that it no longer desires to carry on drilling operations, then the said lessee is granted the right to

~~(the)~~ ~~(his)~~
cease such operations, and lessee shall, if (it) so selects, retain (its) rights in and to ten (10) acres or the size acreage unit for the field as established by a spacing or pooling order of the Department of Conservation, (in the form of a square, the well being the center, as near as practicable) of the property for each and every well (other than a gas well) which lessee shall have drilled thereon and is producing sulphur, potash, oil, or other liquid hydro-carbon mineral therefrom; provided that said well or wells shall be located on that portion or portions of the property so retained by lessee; and provided further, that lessee's rights in and to that portion of the premises so retained shall endure only so long as lessee shall continue to produce sulphur, potash, oil, or other hydro-carbon mineral from said well or wells on said tract or tracts so retained in paying quantities.

Should lessee at any time elect to abandon operations as above provided, then lessee shall notify lessor in writing of its intention to so do, and shall specify what portion or portions of the said premises the said lessee is entitled by virtue hereof to retain and operate; and lessee shall, as soon as practicable thereafter, execute an instrument or all instruments necessary to effect a proper release of the undeveloped portion of the premises.

VI.

It is agreed and understood that lessee shall not be required to drill more than one (1) well for each forty (40) acres held hereunder where the premises shall prove to be productive of gas only, save and except where such well, or wells, are necessary to prevent drainage of gas from the said premises by wells on adjacent property; and it is further agreed that should lessee at any time elect to abandon drilling operations as provided in paragraph V hereof, then the said lessee shall be entitled to retain its rights in and to the gas production from forty (40) acres (in the form of a square as near as practicable) for each and every gas well from which it shall at such time be producing gas in paying quantities; provided also, that any well or wells so producing shall be located on and reasonably near the center of that portion or portions of the property retained by lessee; and provided further, that lessee's rights to so hold such portion or portions of the said premises shall endure only so long as lessee shall continue to produce therefrom, gas in paying quantities.

VII.

If at any time during the life of this lease, lessee elects to no longer maintain the rights herein granted in effect, then the said lessee shall have the right to release and surrender unto lessor any and all rights hereby held unto lessee, whereupon this contract shall wholly terminate, but without prejudice to rights of lessor to enforce any liability or cause of action which may have theretofore accrued hereunder in favor of lessor.

VIII.

It is agreed and understood that operations hereunder shall offer no impediment to navigation.

IX.

It is further agreed and understood that the rights of lessee may be assigned or transferred in whole or in part but no transfer, whether in whole or in part, of the herein leased property shall be valid unless such transfer or assignment be approved by the STATE MINERAL BOARD and that said STATE MINERAL BOARD shall have supervision of this lease for the full period of its duration.

X.

Lessee may, with the consent and approval of the STATE MINERAL BOARD, pool or combine the acreage covered by this lease, or any portion thereof, with the land, lease, or leases contiguous thereto or contained in one unit. Such pooling or combining to be in strict conformity with spacing and other rules, regulations, or orders of the Department of Conservation and the STATE MINERAL BOARD; nor shall such pooling or combining agreement in any way decrease the obligations of lessee as herein stipulated.

THUS DONE, READ, ACCEPTED AND SIGNED by the parties hereto, the lessor, The State of Louisiana, herein represented by the State Mineral Board, acting through _____
B. A. Hardey, its elected Chairman, duly authorized, and the lessee,
Shell Oil Company in the presence of the respective undersigned witnesses, on this the 27 day of April, A.D. 194 7.

WITNESSES to the signature of Lessor:

C. M. Woodwin
M. A. Jules

STATE MINERAL BOARD

By: B. A. Hardey Chairman
For the State of Louisiana, Lessor

WITNESSES to the signature of Lessee:

George Harris Jr
S. S. Sharp
For Shell Oil Company Lessee

STATE OF LOUISIANA,

PARISH OF Caddo

BE IT KNOWN that on this 23 day of April, 1947, before me Charles C. Hardey, Notary Public, duly commissioned and qualified, personally appeared the above named B. A. Hardey, Chairman, State Mineral Board

who signed the foregoing mineral lease before me and in the presence of the two competent witnesses whose names are thereto subscribed as such, and the said appearer thereupon declared and acknowledged unto me, in the presence of said witnesses, that he signed and executed said mineral lease for the purposes and considerations therein expressed.

IN WITNESS WHEREOF the said appearer has signed these presents before me and in the presence of said witnesses, and I have hereunto set my official hand and seal with said witnesses on the day and date above written.

WITNESSES:

C. M. Woodwin
M. A. Jules

B. A. Hardey



Charles C. Hardey
Notary Public

STATE OF _____
OF _____

BE IT KNOWN that on this _____ day of _____, before me _____, Notary Public, duly commissioned and qualified, personally appeared the above named _____

who signed the foregoing mineral lease before me and in the presence of the two competent witnesses whose names are thereto subscribed as such, and the said appearer thereupon declared and acknowledged unto me, in the presence of said witnesses, that he signed and executed said mineral lease for the purposes and considerations therein expressed.

IN WITNESS WHEREOF the said appearer has signed these presents before me and in the presence of said witnesses, and I have hereunto set my official hand and seal with said witnesses on the day and date above written.

WITNESSES:

Notary Public


LD-27 LOUISIANA
(A.J. Galloway - Witness)

STATE OF TEXAS)
)
COUNTY OF HARRIS)

BEFORE ME, the undersigned authority, personally came and appeared GEO. HARRIS, JR., who being by me first duly sworn deposed and said that he is one of the subscribing witnesses to the signature of A. J. GALLOWAY as Vice President of SHELL OIL COMPANY, Incorporated to the above and foregoing document; that he saw the said A. J. GALLOWAY execute said document in his said representative capacity and that appearer signed same, together with S. S. Sharp, the other subscribing witness.



SUBSCRIBED AND SWORN to before me this 15th day of May, 194 7.

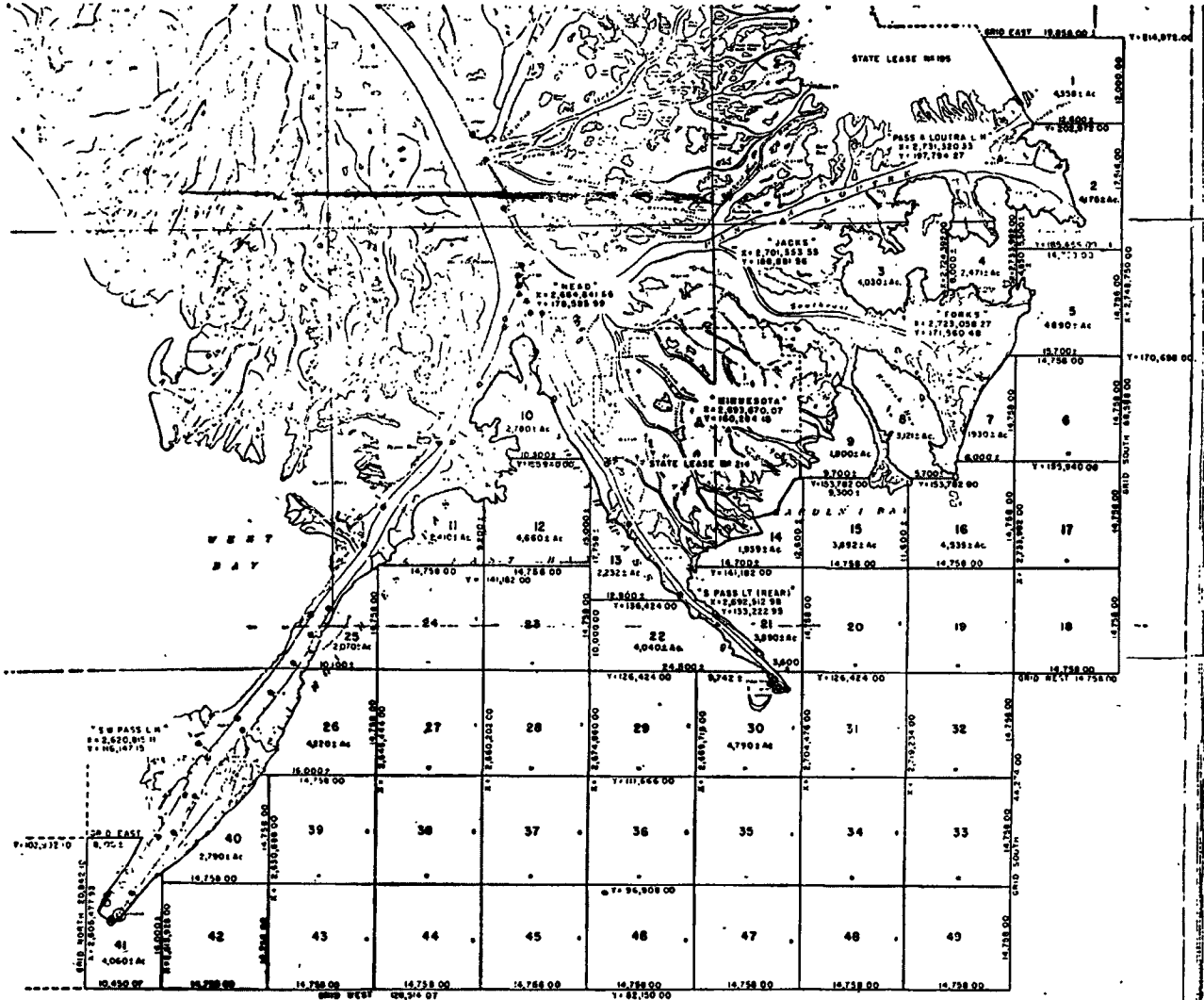


Notary Public in and for Harris County,
Texas.

W. C. BRANDAU
Notary Public Harris County, Texas

NOTICE OF PUBLICATION

STATE OF LOUISIANA • STATE MINERAL BOARD
BATON ROUGE, LOUISIANA



ALL BLOCKS ARE BASED ON THE LOUISIANA LAMBERT PLANE COORDINATE SYSTEM (SOUTH ZONE) HAVING AN X-COORDINATE OF 800,000 FEET AT MERIDIAN 91°20' AND A Y-COORDINATE OF 800 FEET AT LATITUDE 29°40'

THE BEARING OR AZIMUTH OF ALL LINES IS REFERRED TO THE MERIDIAN OF THE LAMBERT PLANE COORDINATE SYSTEM FOR THE SOUTH ZONE OF LOUISIANA (GRID NORTH)

ALL REGULAR BLOCKS ARE 16,758.00 FEET SQUARE AND CONTAIN 3800 ACRES. THE ACREAGE OF THE BLOCKS ADJACENT TO THE SHORE LINE AND ADJOINING STATE LEASES NO 105 AND NO 214 ARE APPROXIMATE

BASE MAP MADE FROM U.S.C.G.S. CHART NO 1272

SHOWING PORTION OF
GULF OF MEXICO WATER BOTTOMS
OF THE STATE OF LOUISIANA
SOUTH PASS AREA

SL 988 "A" thru SL 1017 "A"

By virtue of, and in conformity with the provisions of Act 93 of the Regular Session of 1936, as amended, sealed bids will be received at the office of the State Mineral Board, State Capitol, Baton Rouge, on or before the 17th day of March, 1947, at Ten (10) o'clock, A. M., for the lease of the sulphur, potash, oil, gas and/or other liquid or gaseous hydrocarbon mineral rights in and to the following described tracts, to-wit:

Tracts 1694 to 1742, inclusive, also being Blocks 1 to 49, inclusive, (numbered consecutively beginning with Tract 1694) each containing not more than five thousand (5,000) acres and constituting part of the beds and

Bids for each tract shall refer to the tract and block numbers.

All bids to offer a cash bonus for lease with a primary term which shall not exceed five (5) years. Minimum royalties shall be one-eighth (1/8) of all oil produced and saved; one-eighth (1/8) of all gas produced and saved or utilized; seventy-five (75) cents for each long ton of sulphur produced and saved; ten (10) cents per ton for all potash produced and saved; one-eighth (1/8) of all other liquid or gaseous hydrocarbon minerals produced and saved.

Lessee must agree to drill within one (1)

to development of the leased premises subject to approval of the State Mineral Board.

Certified check, payable to the Register, State Land Office, for the full amount of the cash bonus shall accompany and be deposited with each bid and no bid or deposit may be thereafter withdrawn or cancelled; and the cash bonus thus deposited shall be forfeited to the State by the successful bidder in the event said bidder does not enter into written contract within ten (10) days after the written lease is submitted to him for execution.

This plat affects the following State Lease #s:

SL 988 A
SL 989 A
SL 990 A
SL 991 A
SL 992 A
SL 993 A
SL 994 A
SL 995 A
SL 996 A
SL 997 A

SL 998 A
SL 999 A
SL 1000 A
SL 1001 A
SL 1002 A
SL 1003 A
SL 1004 A
SL 1005 A
SL 1006 A
SL 1007 A

SL 1008 A
SL 1009 A
SL 1010 A
SL 1011 A
SL 1012 A
SL 1013 A
SL 1014 A
SL 1015 A
SL 1016 A
SL 1017 A

SL 998
4 C 1

RESOLUTION

Upon motion by Mr. Pentice, seconded by Mr. Buzman, the State Mineral Board of the State of Louisiana unanimously adopted the following resolution:

BE IT RESOLVED that the Chairman of the Board is authorized to execute in behalf of the State of Louisiana an agreement with Shell Oil Company, Incorporated, recognizing and agreeing that the plat attached to said agreement correctly reflects in red outline thereon the placement, location and boundaries of State Leases No. 998, 999, 1009, 1010, and 1388.

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of a resolution unanimously adopted on motion duly seconded at a meeting of the State Mineral Board in the State Capitol in the City of Baton Rouge, Louisiana, on the 30th day of June, 1949, pursuant to due notice at which meeting a quorum was present, and that said resolution is duly entered in the minute book of the Board and is now in full force and effect.

W. J. Boone Oakes
Secretary, State Mineral Board

OLS:lh
6/23/49

State Lease

998-999-1009-

1010-1388

AGREEMENT

This agreement made and entered into this 11 day of July, 1949, by and between the State of Louisiana, herein represented by the State Mineral Board acting by and through its Chairman, duly authorized, and Shell Oil Company, Incorporated, herein called "Shell".

W I T N E S S E T H:

Shell is the holder and owner, as lessee, of the following described oil, gas and mineral leases, granted to it by the State of Louisiana, as lessor, to-wit:

1. State Lease No. 998 dated April 23, 1947, recorded in Volume 126, page 45 of the Conveyance Records of Plaquemines Parish, Louisiana.
2. State Lease No. 999 dated April 23, 1947, recorded in Volume 126, page 50 of the Conveyance Records of Plaquemines Parish, Louisiana.
3. State Lease No. 1009 dated April 23, 1947, recorded in Volume 126, page 85 of the Conveyance Records of Plaquemines Parish, Louisiana.
4. State Lease No. 1010 dated April 23, 1947, recorded in Volume 126, page 90 of the Conveyance Records of Plaquemines Parish, Louisiana.
5. State Lease No. 1388 dated March 15, 1948, recorded in Volume 132, page 41 of the Conveyance Records of Plaquemines Parish, Louisiana.

The description in each of said leases is tied in to the shore line along Southwest Pass at certain points. In January 1949, Shell had a survey made of said leased tracts by a licensed surveyor whose survey revealed that the shore line in the area under consideration has changed in certain places so that the actual shore line at the date of said survey was different in some respects than shown on the plat which formed a part of the description whereunder said leased tracts were advertised for letting, and the parties hereto have agreed that the plat attached hereto and made a part hereof and signed by the parties for identification herewith correctly reflects in red outline the placement, location

and boundaries of said leases.

NOW, THEREFORE, in consideration of the premises the parties agree that the plat attached hereto and made a part hereof correctly reflects in red outline the placement, location and boundaries of the aforementioned mineral leases.

THUS DONE AND EXECUTED in the presence of the undersigned competent witnesses on the date hereinabove first written.

WITNESSES:

L. J. Bonnacore
Larry L. Oxford

STATE MINERAL BOARD, ACTING FOR
THE STATE OF LOUISIANA

By [Signature]
Chairman

Josephine Hayes
R. M. Thibodeau

SHELL OIL COMPANY, Incorporated

By [Signature]
Attorney in Fact

STATE OF LOUISIANA

PARISH OF East Baton Rouge

BEFORE ME, the undersigned authority, personally came and appeared L. J. Bonnacore, who being by me first duly sworn, deposed and said:

That he is one of the subscribing witnesses to the signature of O. S. Collins, Chairman of the State Mineral Board, acting for and on behalf of the State of Louisiana, in the above and foregoing document; that he saw the said O. S. Collins execute said document in his said representative capacity and that appearer signed same, together with Larry [Signature], the other subscribing witness.

L. J. Bonnacore

Sworn to and subscribed before me this 11th day of July, 1949.

George M. Wallaw
Notary Public in and for
Parish, Louisiana



TEXAS.
STATE OF LOUISIANA
~~PARISH OF ORLEANS~~
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared R.H. GHILDEN, known to me to be the person whose name is subscribed to the foregoing instrument as an attesting witness, who being first duly sworn, on his oath says:

^{A.E. JAGO}
A.E. JAGO That he personally knows ~~D. Spitzer~~ and that he saw the said ~~Spitzer~~ sign and execute the foregoing instrument as Attorney-in-Fact for and as the free act and deed of Shell Oil Company, Incorporated, and that he, the said R.H. GHILDEN, subscribed his name to the same at the same time as an attesting witness, along with JOSEPHINE HUGHES, the other subscribing witness.

R.H. Ghilden
Affiant

Sworn to and subscribed before me this 20th day of JULY

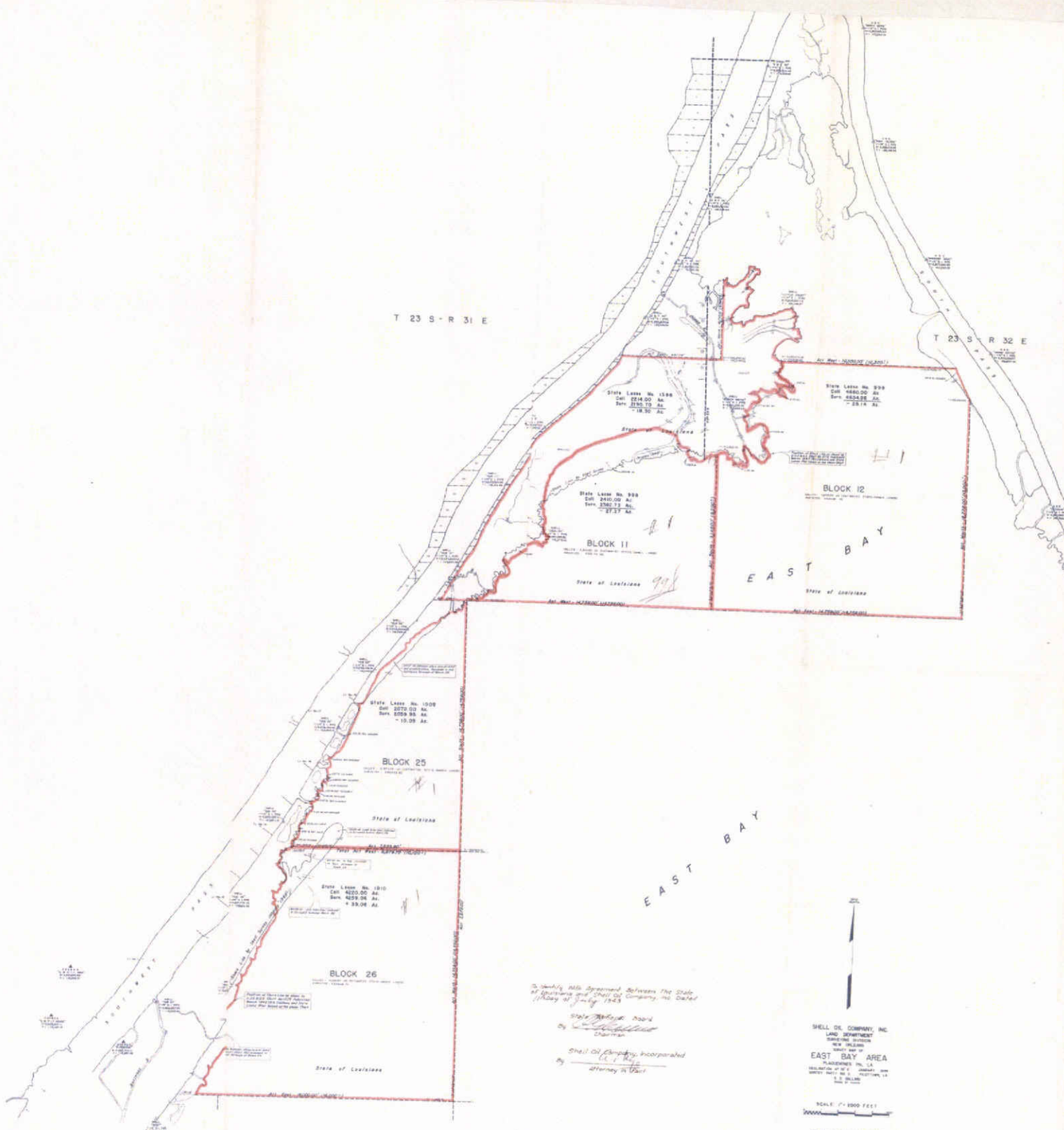
1949.

Evelyn Marquart
Notary Public in and for Orleans
Parish, Louisiana.

EVELYN MARQUART
Notary Public in and for Orleans Parish, Louisiana.

T 23 S - R 31 E

T 23 S - R 32 E



Substantially All Agreement Between The State
of Louisiana and Shell Oil Company, Inc. Dated
1/24/57

State Board
by *[Signature]*
Chairman

Shell Oil Company, Incorporated
by *[Signature]*
Attorney in Charge

SHELL OIL COMPANY, INC.
LAND DEPARTMENT
MARINE DIVISION
NEW ORLEANS
LOUISIANA

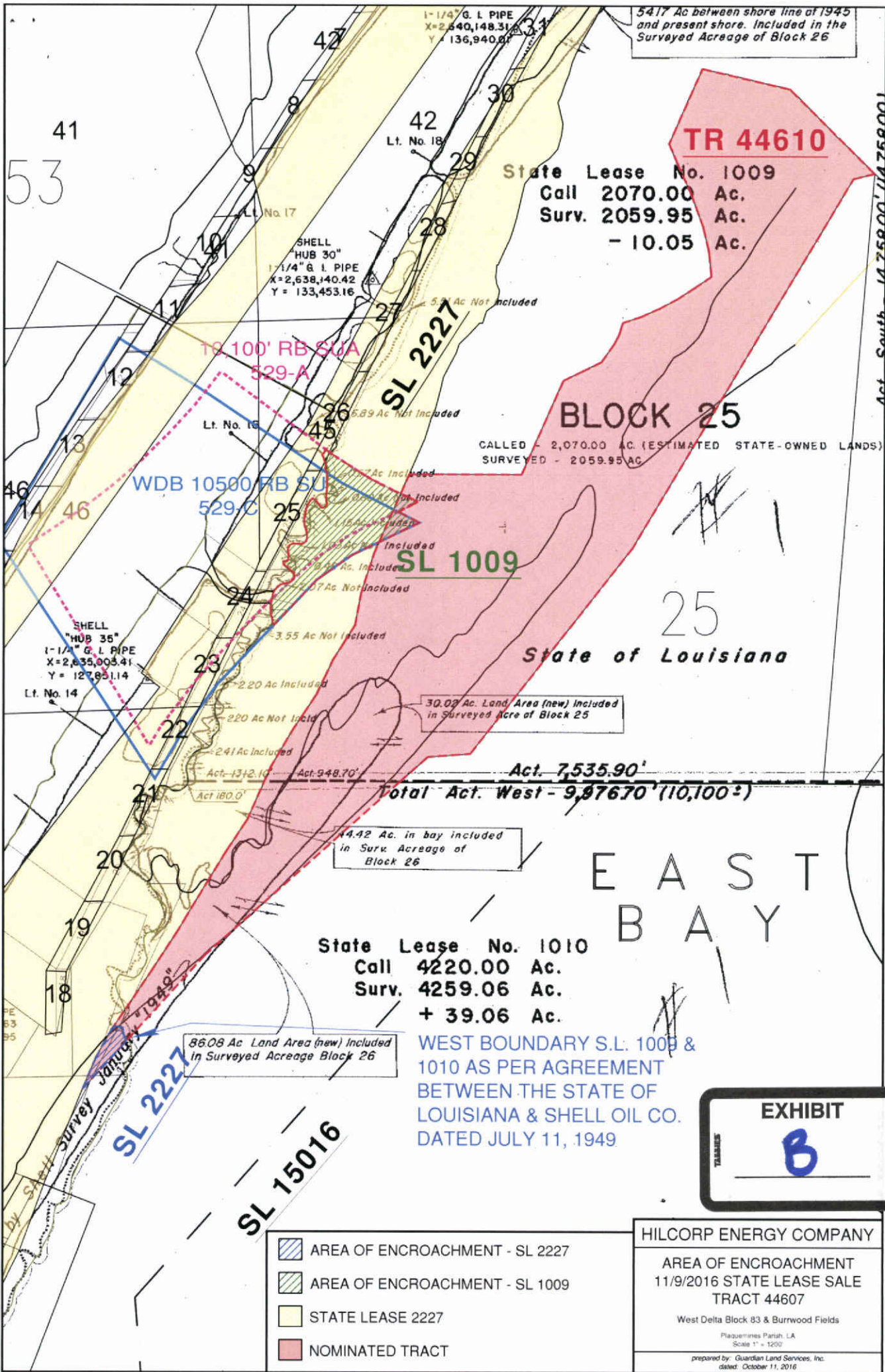
EAST BAY AREA
PLAQUEMINE, LA
SECTION 16 - T. 23 S., R. 31 E.,
S. 16 RANGE

SCALE: 1" = 5000 FEET

This is to certify that J. C. Schwartz,
a Licensed Land Surveyor, State of
Louisiana, here depicted and certified
to the correctness of this map.

*There has been an addition of
Opposition to the Board
Hillside Region, State Mineral Board
6/20/57*

SL 918 'C'



5417 Ac between shore line of 1945 and present shore. Included in the Surveyed Acreage of Block 26

TR 44610

State Lease No. 1009
 Call 2070.00 Ac.
 Surv. 2059.95 Ac.
 - 10.05 Ac.

BLOCK 25

CALLED - 2,070.00 AC. (ESTIMATED STATE-OWNED LANDS)
 SURVEYED - 2059.95 AC

25

State of Louisiana





Act. 7,535.90'
 Total Act. West - 9,976.70' (10,100±)

EAST BAY

State Lease No. 1010
 Call 4220.00 Ac.
 Surv. 4259.06 Ac.
 + 39.06 Ac.

WEST BOUNDARY S.L. 1009 & 1010 AS PER AGREEMENT BETWEEN THE STATE OF LOUISIANA & SHELL OIL CO. DATED JULY 11, 1949

EXHIBIT
B

-  AREA OF ENCROACHMENT - SL 2227
-  AREA OF ENCROACHMENT - SL 1009
-  STATE LEASE 2227
-  NOMINATED TRACT

HILCORP ENERGY COMPANY
 AREA OF ENCROACHMENT
 11/9/2016 STATE LEASE SALE
 TRACT 44607
 West Delta Block 83 & Burrwood Fields
 Plaquemines Parish, LA
 Scale 1" = 1200'
 prepared by: Guardian Land Services, Inc.
 dated: October 11, 2016

October 28, 2016

Ref: 2794-34166

Via Email and Fed Ex

Office of Mineral Resources
State Mineral Board
Attn: Anthony E. Fontenot
617 N. Third Street, 8th Floor
Baton Rouge, LA 70802

Re: Louisiana State Lease Sale - November 9, 2016
Tract No. 44611, Plaquemines Parish, Louisiana

Dear Sirs:

Please allow this letter to serve as a formal protest to the inclusion of certain lands located in Township 24 South, Range 30 East, Plaquemines Parish, Louisiana (West Delta Block 83 Field) within the confines of Tract No. 44611 nominated for the November 9, 2016 State lease sale.

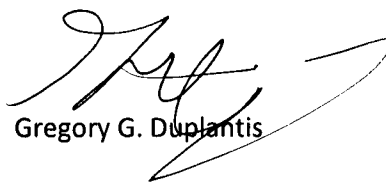
Portions of Tract No. 44611 are covered by the following leases, (collectively the "Leases"), all of which are currently held by production and described in Exhibit "A".

Attached in Exhibit "B" is a plat showing the retained acreage under the Leases.

Any mineral lease granted by the State on the above referenced nominated tract must exclude, pursuant to LAC 43:1.907, *et seq*, and La. R.S. 9:1151, the area covered by the aforementioned Leases.

Please advise if you require any further information.

Very truly yours,



Gregory G. Duplantis

GGD:kv

Enclosures (as stated)

cc: Mr. Bruce Currie
Mr. Troy Richard
Mr. Jim Cornay
Mr. Thomas Blanchet

EXHIBIT "A"

Attached to and made a part of that certain Protest Letter dated October 28, 2016
Relative to Tract 44611 of November 9, 2016

<u>Lessor</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Recorded</u>	<u>Book/Page</u>	<u>Entry No.</u>
Mark Delesdernier, et ux	The California Company	7/13/1954	7/19/1954	176/773	169
Delta Development Company	The California Company	9/01/1954	9/24/1954	177/761	188
Bureau of Land Management (BLM 13997)	Allen L. Lobrano	11/01/1951	7/13/1954	176/625	138
Bureau of Land Management (BLM 16334)	Allen L. Lobrano	3/01/1952	7/16/1954	176/739	

20.169

OIL, GAS AND MINERAL LEASE

83
Date: 7/13

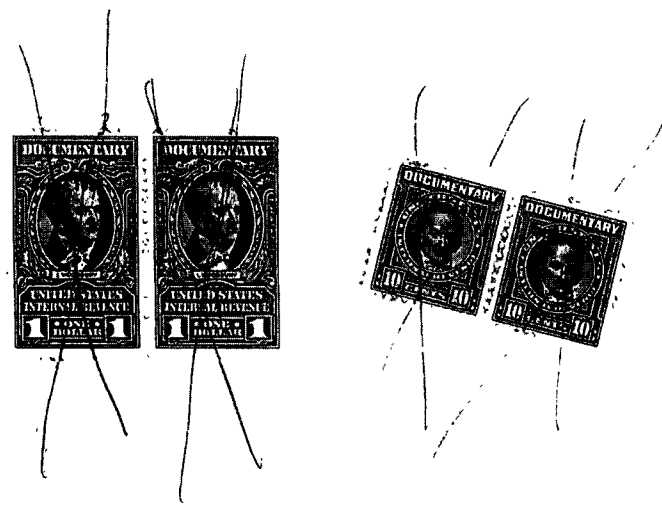
THIS AGREEMENT, dated the 13th day of July, 1954,
between MARK DELESDERNIER, married but once and then to Giovanna Staniel,
a resident of Pilot Town, Louisiana,

Lessor (whether one or more)
and THE CALIFORNIA COMPANY, a California corporation, Lessee.

WITNESSETH:

1. Lessor, in consideration of Sixteen Hundred + 00 DOLLARS (\$1,600.00)
hereinafter described, for the purpose of prospecting, exploring, investigating, drilling and mining for and producing, saving, storing,
processing and owning oil, gas and all other minerals together with all privileges, rights and servitudes useful or convenient
for Lessee's operations hereunder on said land and on nearby lands including particularly the following rights (but not excluding
others): to lay pipe lines; to dig canals; and to construct tanks, docks, pump stations, power stations, repressuring plants, recycling
plants, telephone, telegraph and power lines, roads, railroads, bridges, warehouses, houses for its employees and other structures.
The said land included in this lease is situated in Plaquemine Parish, Louisiana, and is described as follows,
to-wit:

Fractional Sections or River Lots 7, 8, 9 and 11,
T-24-S, R-30-E,



containing 1.60 acres of land more or less; including all minerals underlying servitudes and rights-of-way, which tract
or adjoin said land; and also, in addition to the above described land, all water beds and bottoms, all alluvion and batture,
and all strips or parcels of land adjoining the land above described and owned or claimed by the Lessor as part of any tract
above described.

This lease shall cover all the interest actually owned or claimed by Lessor, even though incorrectly stated above. For the
purpose of calculating any payments based on acreage, said land and its constituent parcels shall be deemed to contain the acreage
above stated, whether they actually contain more or less.

five (5)

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of five (5) years and no
months from the date hereof, called "primary term," and, after the expiration of the primary term, shall remain in force so long as
her or both of the following conditions shall prevail without cessation or interruption of more than three consecutive months:
(a) so long as oil, gas or other mineral, or any one or more of them, is produced from said land hereunder; (b) so long as Lessee is
engaged in drilling, mining or reworking operations on said land hereunder.

3. If drilling or mining operations are not commenced on said land on or before twelve (12) months
from this date, this lease shall terminate as to both parties unless Lessee, on or before the expiration of said period, shall pay or
tender to Lessor or to Lessor's credit in Whitney National Bank, Main Branch ~~at~~ New Orleans, La.
any successor, the sum of Sixteen Hundred + 00 DOLLARS (\$1,600.00), which shall
end for twelve (12) months the time within which such operations may be commenced. Thereafter, annually, in like manner and
in like payments or tenders of the sum of Sixteen Hundred + 00 DOLLARS (\$1,600.00),
such operations may be further deferred for successive periods of twelve months each during the primary term. All such payments
herein called "rental." Such operations shall be deemed to be commenced when the first material is moved in or the first work
is done. The down cash payment is consideration for this lease according to its terms, and shall not be allocated as a mere rental for
any period. Payments or tenders of rental may be made by mailing or delivering cash or Lessee's check to Lessor or to any depository
bank on or before such date of payment. If any depository bank shall fail or refuse to accept rental, this lease shall not terminate,
and Lessee be held in default for failure to pay rental, unless Lessee shall fail to pay such rental for thirty (30) days after Lessor or
any depository bank shall continue as depository and shall be Lessor's agent. Lessee may pay rentals jointly to all parties having any interest
in the lease. If Lessee shall, in good faith and with reasonable diligence, attempt to pay any rental but shall fail to pay, or incorrectly pay
any portion thereof, this lease shall not terminate unless Lessee, within thirty (30) days after written notice of its error or failure,
shall fail to rectify the same. Lessee may at any time or times surrender this lease or any portion thereof by delivering to Lessor or
to any depository bank or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the
lease surrendered, and thereafter the rental shall be reduced in the same proportion that the acreage covered hereby is reduced.

...of the primary term... (3) ...

...may from time to time purchase any royalty oil, paying therefor the market price prevailing for the field where produced on...
...the price for which Lessee sells its share...
...transportation to the point of sale...
...one-eighth (1/8) of the gas so sold or used...
...one-eighth (1/8) of the amount realized from such sales...
...one-eighth (1/8) of that mined and marketed...
...one-eighth (1/8) per long ton mined and marketed...
...Where gas has been discovered during or after the primary term pay Lessor as...
...the sum of \$1.00 per acre for each acre of said land then covered by this lease...
...the gross sum of \$200.00, whichever is greater, and it shall be considered that gas is being produced hereunder for a period of one...
...any such payment may be made in the same manner as provided...
...at Lessor's address last known to Lessee...
...for all operations hereunder...
...free of royalty, oil, gas, and water from said land, except water from Lessor's wells...
...for repressuring the oil and gas formations in the field.

6. Lessee shall pay for damages caused by Lessee's operations to houses, barns, growing crops and fences. Lessee shall have...
...right during or within one year after the life of this lease to remove all Lessee's property and fixtures, including the right to...
...bury pipe lines below ordinary plow depth. No well shall be...
...filled closer than 200 feet to any residence or barn now on said land unless another location is impracticable. In order to prevent...
...substantial net uncompensated drainage from said land by wells located on adjoining land not owned by Lessor, Lessee agrees to...
...drill any well not required for the most efficient and economical development of said land. In case of forfeiture or cancellation...
...this lease for any cause, Lessee shall be entitled to retain hereunder any well or mine being drilled, worked on, or produced here-...
...the drainage area of any such well, and any other part of this lease as to which Lessee is not in default.

7. The rights of Lessor and Lessee hereunder may be assigned in whole or in part. No change in ownership of Lessor's...
...interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of original or...
...certified copies of all recorded instruments, documents, and other information necessary to establish a complete chain of record...
...title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive...
...shall be binding on Lessee, and Lessee may continue to make payments precisely as if no change had occurred. No present or...
...future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or...
...diminish the rights of Lessee, and all Lessee's operations, particularly as to the drilling and location of wells and the measurement...
...of production, may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner...
...shall be liable for any act or omission of any other leasehold owner, and failure by one to pay rental shall not affect the rights of...
...others—rental being apportionable in proportion to acreage.

8. Whenever, as a result of any cause beyond Lessee's control (such as fire, flood, windstorm or other Act of God; law, order...
...or regulation of any governmental agency; or inability to secure men, material or transportation as a result of any war), Lessee is...
...prevented from complying with any obligation of this lease, Lessee shall not be liable for damages or forfeiture of this lease and...
...Lessee's obligations shall be suspended so long as such cause persists.

9. Lessee may at any time or times pool and consolidate this lease, in whole or in part, or as to any stratum or strata, with...
...adjacent lands and leases, so as to constitute a unit or units not substantially exceeding the size required for the most efficient and...
...economical location and spacing of wells in the field or pool, or the size (if any) approved by State or Federal authorities, by de-...
...claring to Lessor or to the depository bank or by filing for record an instrument so declaring. Drilling, mining, or reworking...
...operations upon, or production of any mineral from any part of any such unit shall be treated, for all purposes hereunder, as such...
...operations upon or such production from this lease. Upon production from any part of any such unit, Lessor shall be entitled to...
...a fractional part of such production, in the ratio that the number of acres of this lease included in such unit bears to the total number of acres of all lands...
...and leases included in such unit, and Lessor shall be entitled to the royalties in this lease provided, on such fractional part of such...
...production, and no more. Provided, that if State or Federal authorities shall prescribe a different method of allocation, the method...
...so prescribed shall prevail.

10. Lessor warrants and agrees to defend the title to said land, or to the interest therein which this lease expressly purports...
...to cover. The royalties hereinabove provided are determined with respect to the entire mineral estate, and if Lessor owns a lesser...
...interest, the royalties to be paid Lessor shall be reduced proportionately. The rental hereinabove provided is determined with re-...
...spect to the interest which this lease purports to cover, and if Lessor owns a lesser interest, the rental to be paid Lessor shall be...
...reduced proportionately. Lessee at its option may discharge in whole or in part any tax, mortgage or other lien upon said land, or...
...may redeem the same from any purchaser at any tax sale or adjudication, and may reimburse itself from any rentals and royalties...
...accruing hereunder and shall be subrogated to such lien with the right to enforce same.

11. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be...
...binding upon all such parties who do execute it as Lessor. The word "Lessor" as used in this lease, shall mean any one or more or...
...all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and...
...assigns of Lessor and Lessee.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Witnesses Sign Here

Lessor Sign Here

Caroline Vogt
Clayton Lee Fowley

Mark Delesdernier
MARK DELESDEARNIER

Parish of _____

Before me, the undersigned authority, this _____ day personally appeared _____
_____ me personally known to be the identical person whose name is subscribed to the foregoing instrument as an attesting witness, who
being first duly sworn, on his oath says: That he subscribed his name to the foregoing instrument as a witness, and that he knows

_____ the Grantor named in said instrument, to be the identical person described therein, and who executed the same, and saw _____
_____ sign the same as a _____ voluntary act and deed, and that he, the said appearer, subscribed the same at the same time as an attest-
ing witness.

Sworn to and subscribed before me, this _____
day of _____, 19_____, _____ (Witness)
Notary Public in and for _____ Parish, Louisiana

STATE OF LOUISIANA }
Parish of _____

Before me, the undersigned authority, this day personally appeared _____
_____ me personally known to be the identical person whose name is subscribed to the foregoing instrument as an attesting witness, who
being first duly sworn, on his oath says: That he subscribed his name to the foregoing instrument as a witness, and that he knows

_____ the Grantor named in said instrument, to be the identical person described therein, and who executed the same, and saw _____
_____ sign the same as a _____ voluntary act and deed, and that he, the said appearer, subscribed the same at the same time as an attest-
ing witness.

Sworn to and subscribed before me, this _____
day of _____, 19_____, _____ (Witness)
Notary Public in and for _____ Parish, Louisiana

OIL, GAS AND MINERAL LEASE	From	Lessor	To	Lessee	Clerk's Filing Certificate:	COMMERCIAL—Form CC-43 LOUISIANA

CORPORATION ACKNOWLEDGMENT

STATE OF LOUISIANA }
Parish of _____

On this _____ day of _____, 19_____, before me appeared _____
_____ me personally known, who, being by me duly sworn did say that he is the _____ of
(title: President, Vice-President, or Secretary, etc.)

_____, _____ (Name of Corporation) _____ (State in which Incorporated)
Corporation, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed
and sealed in behalf of said corporation by authority of its Board of Directors, and said appearer acknowledged said instrument to be
his free act and deed of said corporation.

IN WITNESS WHEREOF I have hereunto set my official hand and seal on the date hereinabove written.

Notary Public in and for _____ Parish, Louisiana

4. If at any time or times during the primary term after Lessee has commenced drilling, mining, or reworking operations or has secured production of oil, gas or other mineral, all such operations and all such production shall cease for any cause, this lease shall not terminate if Lessee shall commence or resume any of such operations, production of any such mineral, or payment of royalty by the next rental paying date or by the end of the primary term, whichever comes first—but within three (3) months after such cessation in case the next rental paying date or the end of the primary term comes less than three (3) months after such cessation.

5. Royalties to be paid by Lessee are: (a) on oil, one-eighth (1/8) of that produced and saved from said land, to be delivered at the wells into storage furnished by Lessor or to the credit of Lessor into the pipe line to which the wells are connected; Lessee may from time to time purchase any royalty oil, paying therefor the market price prevailing for the field where produced on the day it is run to the pipe line or storage tanks, or if no such market price is established, the price for which Lessee sells its share of such oil, less the costs of handling and transportation to the point of sale; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used, the market value at the well of one-eighth (1/8) of the gas so sold or used, provided that on gas sold at the well the royalty shall be one-eighth (1/8) of the amount realized from such sales; (c) on sulphur, ~~one-eighth (1/8) per long ton mined and marketed~~; (d) on all other minerals, one-eighth (1/8) of that mined and marketed in kind or value at the well or mine, at Lessee's election; (e) Where gas has been discovered on said land or land pooled and communitated with any of said land, Lessee, at Lessee's election may at any time or times during or after the primary term pay Lessor as royalty an additional sum to the royalties provided above) the sum of \$100 per acre for each acre of said land then covered by this lease, or the gross sum of \$20000, whichever is greater, and it shall be considered that gas is being produced hereunder for a period of one year from the date on or for which any such payment is made. Any such payment may be made in the same manner as provided elsewhere in this lease for the payment of rental, and Lessee shall notify Lessor thereof, at Lessor's address last known to Lessee. Lessee may use free of royalty, oil, gas and water from said land except water from Lessor's wells, for all operations hereunder and for repressuring the oil and gas formations in the field.

6. Lessee shall pay for damages caused by Lessee's operations to houses, barns, growing crops and fences. Lessee shall have the right during or within one year after the time of this lease to remove all Lessee's property and fixtures, including the right to drill and remove all casing. When required by Lessor, Lessee will bury pipe lines below ordinary plow depth. No well shall be drilled closer than 200 feet to any residence or barn now on said land unless another location is impracticable. In order to prevent substantial and economic injury to the land and to the land and to the same or similar circumstances, Lessee shall not be obligated to drill any well not required for the most efficient and economical development of said land. In case of forfeiture or cancellation of this lease or any cause, Lessee shall be compelled to retain hereunder any well or mine being drilled, worked in, or produced hereunder, the entire area of such well, and any other part of this lease as to which Lessee is not in default.

7. The rights of Lessor and Lessee hereunder may be assigned in whole or in part. No change in ownership of Lessor's interest in the assignment of this lease shall be binding on Lessee until Lessee has been furnished with notice, consisting of original or certified copies of all recorded instruments, documents, and other information necessary to establish a complete chain of record back from Lessor, and the records with respect to payments thereafter made. No notice of notice, whether actual or constructive, shall be binding on Lessee and Lessee may continue to make payments precisely as if no change had occurred. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee under all Lessee's operations, production, drilling and location of wells and the measurement of production, may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner, and failure by one to pay rental shall not affect the rights of others—rental being apportionable in proportion to acreage.

8. Whenever, as a result of any cause beyond Lessee's control (such as fire, flood, windstorm or other Act of God; law, order or regulation of any governmental agency, or inability to secure men, material or transportation as a result of any war), Lessee is prevented from complying with any obligation of this lease, Lessee shall not be liable for damages or forfeiture of this lease and Lessee's obligations shall be suspended so long as such cause persists.

9. Lessee may at any time or times pool and consolidate this lease, in whole or in part, or as to any stratum or strata, with adjacent lands and leases, and to constitute a unit or units not substantially exceeding the size required for the most efficient and economical location and spacing of wells in the field or pool, or the size (if any) approved by State or Federal authorities, by declaring to Lessor or to the depository bank or by filing for record an instrument so declaring. Drilling, mining, or reworking operations upon, or production of any mineral from any part of any such unit shall be treated, for all purposes hereunder, as such operations upon, or production from this lease. Upon production from any part of any such unit, Lessor shall be entitled to such production from this lease. The number of acres of this lease included in such unit shall be a fractional part of such production, in the ratio that the number of acres of this lease included in such unit bears to the total number of acres of all lands and leases included in the unit, and Lessor shall be entitled to the royalty in this lease provided, on such fractional part of such production, and no more; provided, that in State or Federal authorities shall prescribe a different method of allocation, the method prescribed shall prevail.

10. The royalties and rentals above provided are determined with respect to the entire mineral estate, and if Lessor owns a lesser interest, the royalties and rentals shall be reduced proportionately. The rental hereinafter provided is determined with respect to the interest which Lessor owns in the lease purposes to cover, and if Lessor owns a lesser interest, the rental to be paid Lessor shall be reduced proportionately. Lessor at its option may discharge in whole or in part any tax, mortgage or other lien upon said land, or may redeem the same from any purchase at any tax sale or adjudication, and may reimburse itself from any rentals and royalties accruing hereunder and from the sublease to such lien with the right to enforce same.

11. Should any one or more of the parties hereinafter named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor" as used in this lease shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, this instrument was executed as of the date first above written.

Witness Sign Here

Lessor Sign Here

W. J. ...
...

...
...

...this day personally appeared _____
to me personally known to be the identical person whose name is subscribed to the foregoing instrument as an attesting witness, who
upon his oath says: That he subscribed his name to the foregoing instrument as a witness, and that he knows

The Grantor named in said instrument, to be the identical person described therein, and who executed the same, and saw _____
sign the same as a voluntary act and deed, and that he, the said appraiser, subscribed the same at the same time as an attest-
ing witness.

Sworn to and subscribed before me, this _____
day of _____, 19____

Notary Public in and for _____ Parish, Louisiana

STATE OF LOUISIANA

Parish of _____

Before me, the undersigned authority, this day personally appeared _____
to me personally known to be the identical person whose name is subscribed to the foregoing instrument as an attesting witness, who
being first duly sworn, on his oath says: That he subscribed his name to the foregoing instrument as a witness, and that he knows

The Grantor named in said instrument, to be the identical person described therein, and who executed the same, and saw _____
sign the same as a voluntary act and deed, and that he, the said appraiser, subscribed the same at the same time as an attest-
ing witness.

Sworn to and subscribed before me, this _____
day of _____, 19____

Notary Public in and for _____ Parish, Louisiana

OIL, GAS AND MINERAL LEASE

From

Lease

To

Lease

Clerk's Filing Certificate:

COMMERCIAL Form (17)
LOUISIANA

CORPORATION ACKNOWLEDGMENT

STATE OF LOUISIANA

Parish of Orleans

On this 14 day of September 1954, before me appeared _____
to me personally known to be the identical person whose name is subscribed to the foregoing instrument as an attesting witness, who
upon his oath says: That he subscribed his name to the foregoing instrument as a witness, and that he knows

Delta Development Co., Inc.

Louisiana

Corporation, and that the seal affixed to said instrument is the corporate seal of said corporation and that the same was
and posted in behalf of said corporation by authority of its Board of Directors, and each of them, and that the same was
the free act and deed of said corporation.

IN WITNESS WHEREOF I have hereunto set my official hand and seal on the _____ day of _____, 19____

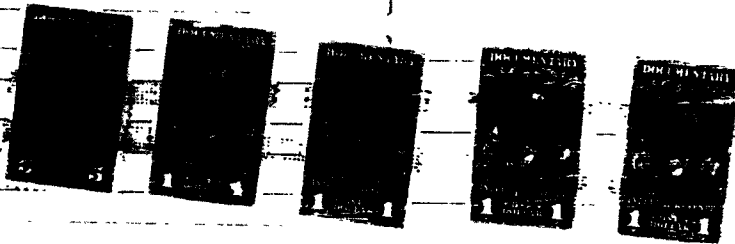
[Signature]
Notary Public in and for Orleans Parish, Louisiana

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1.00

Notwithstanding the obligation of Lessee to pay Lessor royalties above specified, it is agreed and understood in the event oil, gas or other minerals are produced from said lands or from land or leases hereon or operations thereon that Lessee shall pay to Lessor 10 percent of all such royalties until such time as Lessor shall establish, to the satisfaction of Lessee's attorneys, a title to said land, a part thereof, or an interest therein; thereupon all such royalties shall be paid to Lessor but only to the extent that such title or interest thereon is so validated; and it shall be considered that oil, gas or other minerals are being produced within the meaning of paragraph hereof during the period in which such title is being sought.

Witnesses Sign Here

Lessor Sign Here



STATE OF LOUISIANA

Parish of _____

On this _____ day of _____ 19____, _____ personally appeared _____

to me known to be the person described and who executed the foregoing instrument as such _____ of the same as _____ free act and deed.

IN WITNESS WHEREOF I have hereunto set my official hand and seal on the date hereabove written.

Notary Public in and for _____

STATE OF LOUISIANA

Parish of _____

Before me, the undersigned authority, this day personally appeared _____ to me personally known to be the identical person whose name is signed to the foregoing instrument, _____ being first duly sworn, on his oath having subscribed his name to the foregoing instrument as _____

the Grantor named in said instrument, to be the identical person whose name is signed to the foregoing instrument, _____ sign the same as _____ voluntary act and deed and that he, the said applicant, is of legal age and of sound mind and is not under any legal disability.

Sworn to and subscribed before me this _____

day of _____ 19____

Notary Public in and for _____

4420

RESOLUTION

On motion made and seconded, the following resolution was unanimously adopted:

BE IT RESOLVED by the Board of Directors of the Delta Development Co., Inc. that its President, Robert J. Chauvin, is hereby fully authorized and empowered for and in the name and on behalf of this Company to grant and execute an oil, gas and mineral lease on all lands owned by this Company in the Parish of Plaquemine in T-24-S, R-30-E, T-25-S, R-30-E and T-25-S, R-31-E, consisting of approximately 880 acres, for a period of five years, for such consideration and under the terms and conditions as said President may deem to be to the best interest of this company.

I HEREBY CERTIFY that the above and foregoing is a true and correct copy of a RESOLUTION adopted by the Board of Directors of Delta Development Co., Inc., a Delaware Corporation, at a meeting on the 1st day of September, 1954, in the offices of said corporation in the City of New Orleans, Louisiana, said meeting being duly and properly called and assembled and all members of the Board being present and voting in favor of said resolution.

SECRETARY

RECORDED

and because the same follows of

before

the Board of Directors of the

and has been duly authorized

and has duly authorized

and has duly authorized

and has duly authorized

and has duly authorized

and has duly authorized

and has duly authorized

RECORDED PARTIAL OF PLACQUENET
ON THE 24th DAY OF SEPTEMBER
1907
OF THE STATE OF

Walter J. ...

a to who former has and a of ...
and ... of ...
and ... of ...
and ... of ...
and ... of ...

WHAT IS

INSTRUMENT: Lease of Oil and Gas, BLM 013997
GRANTOR: United States of America (Bureau of
Land Management)
GRANTEE: Allen L. Lobrano
DATED: November 1, 1951
FILED: July 13, 1954
COB: 176 PAGE: 625 ENTRY NO.: 138
PARISH OF PLAQUEMINES

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Washington 25, D.C.

Office Region VI
Serial BLM 013927
(Louisiana)

Noncompetitive

LEASE OF OIL AND GAS LANDS UNDER THE ACT OF
FEBRUARY 25, 1920, AS AMENDED

THIS INDENTURE OF LEASE, entered into, in triplicate, as of the 10th day of February, 1951, by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, party of the first part, and Allen L. Lobrano, Sr., party of the second part, hereinafter called the lessee, under, pursuant, and subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 437), as amended, hereinafter referred to as the act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force when not inconsistent with any express and specific provisions herein, which are made a part hereof, WITNESSETH:

That the lessor, in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits and helium gas in or under the following-described tracts of land situated in LOUISIANA:

SECTION 1. Rights of Lessee.—That the lessor, in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits and helium gas in or under the following-described tracts of land situated in LOUISIANA:

TRACT:



770 acres
containing 770 acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of 5 years, and so long thereafter as oil or gas is produced in paying quantities; subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistent with the terms of this lease occur.

SECTION 2. In consideration of the foregoing, the lessee hereby agrees:
(1) Bonds.—(1) To maintain any bond furnished by the lessee as a condition of the issuance of this lease. (2) If the lease is issued noncompetitively, to furnish a bond in a sum double the amount of the \$1 per acre annual rental, but not more than \$1,000 nor more than \$5,000, upon the inclusion of any part of the leased lands within the geologic structure of a producing oil or gas field. (3) To furnish a bond to the beginning of drilling operations and maintain at all times thereafter as required by the lessor a bond in the penal sum of \$5,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease, unless a bond in that amount is already maintained or unless such a bond furnished by an approved operator of the lease is accepted.

T. 24 S., R. 31 E., La. M., Louisiana.

Parcel 1 - All of sec. 23, as reserved from sale or entry by Executive Order, dated January 30, 1941, including all land between the left descending shoreline of Southwest Pass of the Mississippi River and East Bay or the Gulf of Mexico, as shown on said Executive Order, comprising 36 acres, more or less.

T. 24 S., R. 30 E.,

Parcel 2 - All of sec. 10, as reserved from sale or entry by Executive Order, dated January 30, 1941, including all land between the right descending shoreline of Southwest Pass of the Mississippi River and West Bay or the Gulf of Mexico, as shown on said Executive Order, comprising 46 acres, more or less.

Parcel 3 - All of sec. 11, and all of Fitzgerald Island, T. 24 S., R. 30 E., La. M., as reserved from sale or entry by Executive Order, dated January 30, 1941, including all land between the right descending shoreline of Southwest Pass of the Mississippi River and West Bay or the Gulf of Mexico, as shown on said Executive Order, said land being more particularly described as follows, to-wit:

Beginning at the most Easterly corner of said Sec. 11, T. 24 S., R. 30 E., La. M., as shown on a plat of survey of said Township approved May 19, 1842; thence with the shoreline of Southwest Pass and West Bay or the Gulf of Mexico, the following courses and distances: South 70 degrees West, 1820 feet; South 65 degrees West, 1850 feet; South 57 degrees 35 minutes West, 325 feet; South 52 degrees West, 600 feet; North 20 degrees 45 minutes West, 475 feet; North 24 degrees East, 700 feet; North 48 degrees 45 minutes East, 1650 feet; North 57 degrees 16 minutes East, 2500 feet to the section line between secs. 10 and 11, said township and range; thence South 25 degrees East, 1500 feet to the point of beginning; comprising 120 acres, more or less.

Parcel 4 - All of Wagner's (Waggoner's) Island as reserved from sale or entry by Executive Order, dated January 30, 1941, which Island is shown on a map by Charles Elliot, Jr., dated 1881, a copy of said map being on file in the records of the

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War Department, Office of the Chief of Engineers; said Island being located as follows:

Beginning at a point on the shoreline of Wagner's (Waggoner's) Island, which point is located South 2170 feet, more or less, from the most Easterly corner of Sec. 11, T. 24 S., R. 30 E., La. M., as shown by a plat of survey of said township approved May 18, 1842; thence around the said Island with the meanders of its shoreline the following courses and distances: South 71 degrees East, 600 feet, South 18 degrees East, 300 feet, South 16 degrees 30 minutes West, 1275 feet, South 32 degrees 30 minutes West, 600 feet, South 2 degrees East, 200 feet, South 35 degrees 30 minutes West, 720 feet, North 50 degrees 30 minutes West, 1125 feet, South 73 degrees 45 minutes West, 1100 feet, North 53 degrees 30 minutes West, 600 feet, North 24 degrees 15 minutes East, 825 feet, North 65 degrees East, 1050 feet, North 12 degrees 30 minutes West, 175 feet, North 82 degrees 30 minutes West, 350 feet, South 73 degrees 15 minutes West, 1075 feet, North 60 degrees 45 minutes West, 500 feet, South 75 degrees West, 675 feet, North 54 degrees 30 minutes East, 1050 feet, North 72 degrees East, 1200 feet, North 88 degrees 30 minutes East, 1200 feet, South 71 degrees East, 725 feet, to the point of beginning, comprising 160 acres, more or less.

Parcel 5 - Beginning at the most Easterly corner of sec. 10, T. 24 S., R. 30 E., La. M., as shown on plat of survey of said township approved May 18, 1842; thence Southeasterly along an alignment at right angles to the present thread of the stream of Southwest Pass, a distance of 2750 feet, more or less, to a point on the present right descending shoreline of Southwest Pass; thence Southwesterly with the said shoreline 7300 feet, more or less, to the intersection thereof with a line at right angles to the present thread of the stream of Southwest Pass and located tangent to the most Southwesterly point of the shoreline of Wagner's (Waggoner's) Island, as shown on a map by Charles Ellet, Jr., dated 1851, a copy of said map being on file in the Records of the War Department, Office of the Chief of Engineers; thence Northwesterly with the said intersecting line a distance of 2650 feet, more or less, to said most Southwesterly point of the shoreline of said Wagner's (Waggoner's) Island; thence North 33 degrees 30 minutes West, 600 feet; thence Northwesterly along a straight line 1600 feet, more or less, to the most Easterly point of said Island; thence Northwesterly along a straight line 1600 feet, more or less, to the most Southwesterly point on the right descending shoreline of Southwest Pass as shown on the plat of survey of T. 24 S., R. 30 E.

La. M., approved May 18, 1842; thence, Northeasterly with the said shoreline the following courses and distances: North 82 degrees East, 600 feet, North 67 degrees 30 minutes East, 825 feet, North 65 degrees East, 1850 feet, North 70 degrees East, 1320 feet, North 70 degrees East, 1452 feet, to the point of beginning; less and except all of Wagner's (Waggoner's) Island as reserved from sale or entry by Executive Order dated January 30, 1841, which Island is shown on a map by Charles Ellet, Jr., dated 1851, a copy of said map being on file in the Records of the War Department, Office of the Chief of Engineers. The said land, less the said exception, containing 420 acres, more or less.

T. 24 S., E. 31 E., La. M., Louisiana,

Parcel 6 - Beginning at the northwest corner of Section 23, Township 24 South, Range 31 East, Louisiana Meridian, as shown on plat of survey of said Township approved May 18, 1842; thence northwesterly along an alignment at right angles to the present thread of the stream of Southwest Pass of the Mississippi River, a distance of 1200 feet, more or less, to the present left descending shoreline of Southwest Pass; thence southwesterly with the said shoreline a distance of 1100 feet, more or less to the intersection thereof with a line at right angles to the present thread of the stream of Southwest Pass and located tangent to the Southwest corner of said Section 23; thence southeasterly with the said intersecting line a distance of 1200 feet, more or less, to the Southwest corner of said Section 23; thence North 30 degrees East, 1056 feet to the point of beginning; containing 40 acres, more or less.

Until a general lease bond is filed a noncompetitive lessee will be required to furnish and maintain a bond in the penal sum of not less than \$1,000 in those cases in which a bond is required by law for the protection of the owners of surface rights. In all other cases where a bond is not otherwise required, a \$1,000 bond must be filed for compliance with the lease obligations not less than 90 days before the due date of the next unpaid annual rental, but this requirement may be successfully dispensed with by payment of each successive annual rental not less than 90 days prior to its due date.

(b) Cooperative or unit plan.—Within 30 days of demand, or if the land is within an approved unit plan, in the event such a plan is terminated prior to the expiration of this lease, within 30 days of demand made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) Wells.—(1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of the lessor or lands of the United States leased at a lower royalty rate, or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate the lessor in full each month for the estimated loss of royalty through drainage in the amount determined under instructions of said Secretary; (2) at the election of the lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior; and (3) promptly after due notice in writing to drill and produce such other wells as the Secretary of the Interior may require to insure diligence in the development and operation of the property.

(d) Rentals and royalties.—(1) To pay the rentals and royalties set out in the rental and royalty schedule attached hereto and made a part hereof.

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas; due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by the lessee, to posted prices and other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to the lessor, unless otherwise agreed to by the parties hereto, at such times and in such quantities provided by the lessee as reasonably may be required by the lessor, but in no case shall the lessee be required to hold such royalty oil or other products in storage beyond the last day of the calendar month next following the calendar month in which produced. The lessee shall not be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Royalties shall be subject to reduction on the entire leasehold or on any portion thereof segregated for royalty purposes if the Secretary of the Interior finds that the lease cannot be successfully operated upon the royalties fixed herein, or that such action will encourage the greatest ultimate recovery of oil or gas or promote conservation.

(e) Contracts for disposal of products.—Not to sell or otherwise dispose of oil, gas, natural gasoline, and other products of the lease except in accordance with a contract or other arrangement first approved by the Director of the Geological Survey or his representative, such approval to be subject to review by the Secretary of the Interior but to be effective unless and until revoked by the Secretary or the approving officer, and to file with such officer all contracts or full information as to other arrangements for such sales.

(f) Statements, plats, and reports.—At such times and in such form as the lessor may prescribe, to furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the costs used for production purposes or unavoidably lost; a plat showing developments and improvements on the leased lands and a report with respect to stockholding, investment, depreciation, and costs.

(g) Well records.—To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by the lessor of all wells drilled on the leased lands, and an acceptable record of all surface investigations affecting said lands, and to furnish them, or copies thereof to the lessor when required.

(h) Inspection.—To keep open at all reasonable times for the inspection of any authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps, and records relative to operations and surveys or investigations on the leased lands or under the lease.

(i) Payments.—Unless otherwise directed by the Secretary of the Interior, to pay rental, royalty, or other payments to the lessor, to the order of the Treasurer of the United States, such payments to be tendered to the manager of the district land office in the district in which the lands are located or to the Director of the Bureau of Land Management if there is no district land office in the State in which the lands are located.

(j) Diligence—Prevention of waste—Health and safety of workmen.—To exercise reasonable diligence in drilling and producing the wells herein provided for unless a permit to suspend operations temporarily is granted by the lessor; to carry on all operations in accordance with approved methods and practice as provided in the existing regulations, having due regard for the prevention of waste of oil or gas, damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells before abandoning the same; to carry out at expense of the lessee all reasonable orders of the lessor relative to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost; provided, that the lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) Taxes and wages—Freedom of purchase.—To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil, and gas produced from the lands hereunder, or other rights, property, or assets of the lessee; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) Nondiscrimination.—Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an equal provision to be included in all subcontracts.

(m) Assignment of oil and gas lease or interest therein.—To file within 90 days from the date of final execution any instrument of transfer made of this lease, any interest therein, including assignments of record title, working or royalty interests, operating agreements and subleases for approval, such instrument to take effect upon its final approval by the Director, Bureau of Land Management, on the 1st day of the lease month following the date of filing in the proper land office.

(n) Pipe lines to purchase or convey at reasonable rates and without discrimination.—If owner, or operator, or owner of a controlling interest in any pipe line of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipe line.

...ing a lease or purchasing or selling oil, gas, natural gasoline, or other
minerals under the provisions of the act.

(e) Reserved deposits.—To comply with all statutory requirements and regula-
tions thereunder, if the lands embraced herein have been or shall hereafter be
leased under the laws reserving to the United States the deposits of oil and
gas therein, subject to such conditions as are or may hereafter be provided by the
Secretary reserving such oil or gas.

(f) Reserved or segregated lands.—If any of the land included in this lease
is reserved in a reservation or segregated for any particular purpose, to conduct
operations thereunder in conformity with such requirements as may be made by the
Secretary, Bureau of Land Management, for the protection and use of the land for the
purpose for which it was reserved or segregated, so far as may be consistent with
the use of the land for the purpose of this lease, which latter shall be regarded as
dominant use unless otherwise provided herein or separately stipulated.

(g) Overriding royalties.—To limit the obligation to pay overriding royalties
to payments out of production in excess of 5 percent to periods during which the
average production per well per day is more than 15 barrels on an entire leasehold or
part of the area thereof or any zone segregated for the computation of royalties.

(h) Deliver premises in cases of forfeiture.—To deliver up the premises
leased, with all permanent improvements thereon, in good order and condition in case
of forfeiture of this lease; but this shall not be construed to prevent the removal,
relocation, or renewal of equipment and improvements in the ordinary course of
operations.

SEC. 3. The lessor expressly reserves:

(a) Rights reserved—Easements and rights-of-way.—The right to permit for
public or several use easements or rights-of-way, including easements in tunnels
under, through, or in the lands leased, occupied, or used as may be necessary or
appropriate to the working of the same or of other lands containing the deposits
described in the act, and the treatment and shipment of products thereof by or under
authority of the Government, its lessees or permittees, and for other public purposes.

(b) Disposition of surface.—The right to lease, sell, or otherwise dispose of
the surface of any of the lands embraced within this lease which are owned by the
United States under existing law or laws hereafter enacted, insofar as said surface
is not necessary for the use of the lessee in the extraction and removal of the oil
or gas therein.

(c) Monopoly and fair prices.—Full power and authority to promulgate and
enforce all orders necessary to insure the sale of the production of the leased
lands to the United States and to the public at reasonable prices, to protect the
interests of the United States, to prevent monopoly, and to safeguard the public
interest.

(d) Helium.—Pursuant to section 1 of the act, and section 1 of the act of
March 3, 1927 (44 Stat. 1387), as amended, the ownership and the right to extract
helium from all gas produced under this lease, subject to such rules and regulations
which shall be prescribed by the Secretary of the Interior. In case the lessor elects
to take the helium the lessee shall deliver all gas containing same, or portion
thereof desired, to the lessor at any point on the leased premises in the manner
required by the lessor, for the extraction of the helium in such plant or reduction
works for that purpose as the lessor may provide, whereupon the residue shall be
delivered to the lessee with no substantial delay in the delivery of gas produced from
the well to the purchaser thereof. The lessee shall not suffer a diminution of
the value of the gas from which the helium has been extracted, or loss otherwise, for
which he is not reasonably compensated, save for the value of the helium extracted.
The lessee further reserves the right to erect, maintain, and operate any and all
pneumatic and other equipment necessary for the extraction of helium on the
lands leased.

(e) Taking of royalties.—All rights pursuant to section 36 of the act, to
take royalties in amount or in value of production.

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2. Paying.—All rights pursuant to section 40 of the act to purchase casing and to operate valuable water wells.

3. Essential materials.—Pursuant to the provisions of the act of August 1, 1916 (Public Law 224, 60th Congress) all uranium, thorium, or other material which is or may hereafter be determined to be peculiarly essential to the production of valuable material, whether or not of commercial value, together with the land of the United States through its authorized agents or representatives at any time enter upon the land and prospect for, mine and remove the same, making just compensation for any damage or injury occasioned thereby.

4. Drilling and producing restrictions.—It is covenanted and agreed that the operations of prospecting and developing and the quantity and rate of production from lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary shall take into consideration, among other things, Federal laws, State laws, and regulations thereunder, or local agreements among operators regulating either the rate of production, or both. After unitization, the Secretary of the Interior, through a committee, or State or Federal officer or agency so authorized in the law, may alter or modify from time to time, the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease.

5. Surrender and termination of lease.—The lessee may surrender this lease in any legal subdivision thereof by filing in the proper land office a written instrument, in triplicate, which shall be effective as of the date of filing. The instrument shall release the lessee from the continued obligation of the lessee and his surety to make payment of rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the regulations under the terms of the lease, to be accompanied by a statement that all wages and expenses due and payable to the workmen employed on the land relinquished have been paid.

6. Purchase of materials, etc., on termination of lease.—Upon the expiration of this lease, or the earlier termination thereof pursuant to the last provision, the lessor or another lessee may, if the lessor shall so elect within 3 months from the termination of the lease, purchase all materials, tools, machinery, appliances, structures, and equipment placed in or upon the land by the lessee and in use thereon as a necessary or useful part of an operating or producing well, on the payment to the lessee of such sum as may be fixed as a reasonable value therefor by a board of three appraisers, one of whom shall be chosen by the lessor and the other by the lessee, and the two so chosen pending such election shall remain in normal position. If the lessor, or another lessee, shall not within 3 months elect to purchase all or any part of such materials, machinery, appliances, structures, and equipment, the lessee shall have the right at any time, within a period of 90 days thereafter to remove from the premises all material, tools, machinery, appliances, structures, and equipment which the lessee shall not have elected to purchase, have and except casing in wells and other equipment or apparatus necessary for the preservation of the well or wells. Any materials, tools, machinery, appliances, structures, and equipment, including casing left out of wells on the leased lands, shall become the property of the lessor, on the expiration of the period of 90 days above referred to or such extension thereof as may be granted on account of adverse climatic conditions throughout said period.

7. Procedures in case of default.—If the lessee shall not comply with the provisions of the act or the regulations thereunder or shall default in performance or observance of any of the terms, covenants, and stipulations hereunder, and such default shall continue for a period of 90 days after service of notice thereof by the lessor, the lease may be canceled by the Secretary of the Interior in accordance with section 31 of the act, as amended, and all materials, machinery, appliances, structures, equipment, and wells shall thereupon become the property of the lessor, except that if said lease does not terminate in a voluntary deposit of oil or gas, the lease may be canceled only by the Secretary of the Interior in the manner provided in section 31 of the act and this provision shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. A waiver of any provision of

STIPULATIONS

Upon the issuance of noncompetitive oil and gas lease, MIN 013997, under the Mineral Leasing Act of February 25, 1920, as amended, lessee agrees as follows:

1. That plans for all structures and work on the land shall be submitted to the District Engineer, Corps of Engineers, Department of the Army, whose address is Foot of Prytanis Street, New Orleans 9, Louisiana, for prior approval before the commencement of any such structures or work.
2. That structures necessary for conducting drilling operations will not be permitted in the Pass Fairway or at any location closer than 200 feet from the channelward ends of pile dikes.
3. That no dike or other structure installed by the Government will be used as mooring facilities for tying up plant, or will be incorporated in any structure installed by the lessee.
4. That no operations will be permitted which would involve the pulling or hauling of equipment and supplies over the banks of the waterway so as to wear them down and form ruts which would permit water to flow from Southwest Pass into the Gulf of Mexico.
5. That any property of the United States damaged or destroyed by the lessee incident to the lessee's use and occupation of the said property shall be promptly repaired or replaced by the lessee to the satisfaction of the said District Engineer, or in lieu of such repair or replacement the lessee shall, if so required by the said District Engineer, pay to the United States money in an amount sufficient to compensate for the loss sustained by the United States by reason of damages to or destruction of Government property.
6. That the operation of marine navigation aids shall not be impaired or interfered with and that the lessee shall be responsible for any damage to Coast Guard property resulting from prospecting operations.


Lessee.

RENTS AND ROYALTIES

shall pay the lessor in advance on the first day of the month in which the lease is to be terminated at the following rates:

- 1. If the lands are wholly outside the known geologic structure of a productive oil or gas field:
 - (a) For the first lease year, a rental of 50 cents per acre.
 - (b) For the second and third lease years, no rental.
 - (c) For the fourth and fifth years, 25 cents per acre.
 - (d) For the sixth and each succeeding year, 50 cents per acre.
- 2. If lands wholly or partly within the geologic structure of a productive oil or gas field:
 - (a) Beginning with the first lease year after 90 days' notice that all or part of the land is included in such a structure and for each year thereafter, prior to a discovery of oil or gas on the lands, 50 cents per acre.
 - (b) If the lands are included in an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, for the lands not within the participating area an annual rental of 50 cents per acre for the first and each succeeding lease year following discovery.

Minimum royalty--In any event the lessor is liable for rental at the expiration of each year after discovery a minimum royalty of \$1 per acre or, if there is a discovery, the difference between the actual royalty paid during the year and the minimum royalty of \$1 per acre, provided that on unitized lands the minimum royalty shall be payable only on the participating acreage.

Production royalty--In any event the lessor is liable for a royalty of 12 1/2 percent on the net proceeds from the sale of oil and gas produced on the leased lands.

The net proceeds from the sale of oil and gas shall be determined in accordance with the provisions of the Internal Revenue Code, Part 131, "Oil and Gas Operations Regulations." In the event the net proceeds of value of gas and liquid products produced, the net proceeds shall be determined on the basis of the cost of manufacture. The net proceeds of manufacture may exceed two-thirds of the amount of the net proceeds as determined by the Secretary of the Interior.

01110

RECORDED PARISH OF PLACEMINS
ON THIS _____ DAY OF _____ 19__
IN C. O. B. No. _____ FOLIO _____
OF THIS PARISH. M.

Clerk of Court *16/10*

INSTRUMENT: Lease of Oil and Gas Lands BLM-A
016334

GRANTOR: United States of America, Bureau of Land
Management

GRANTEE: Allen L. Lobrano

DATED: March 1, 1952

FILED: July 16, 1954

COB: 176 PAGE: 739 ENTRY NO.:

PARISH OF PLAQUEMINES

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Appraisal made by
Special Agent in Charge

LEASE OF OIL AND GAS RIGHTS UNDER THE ACT OF (Louisiana)

August 7, 1947 (61 Stat. 919)

THIS INSTRUMENT OF LEASE, entered into, in triplicate, and to take effect as of MAR 1 1952, by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called the lessor, and [Name], hereinafter called the lessee,

party of the second part, hereinafter called the lessee, under, pursuant, and subject to the terms and provisions of the act of August 7, 1947 (61 Stat. 919), hereinafter referred to as the act, and to all reasonable regulations thereunder which are now or hereafter shall be in force, which are made a part hereof.

WITNESSETH:

SECTION 1. Rights of Lessee.—That the lessor, in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits owned by the lessor except helium gas in or under the following-described tracts of land situated in

<u>Description</u>	<u>Interest of the United States in Oil and Gas</u>
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attached hereto as land described on page 2

containing 100 acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, railways, roads, telegraph or telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of 5 years, and so long thereafter as oil or gas is produced in paying quantities; subject to any unit agreement, hereafter or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lease, subject thereto, in consistency with the terms of this lease occur.

*If the interest of the United States in the oil and gas proved to be larger or smaller than the interest stated, the rentals and royalties payable by the lessee shall be increased or decreased proportionately.

SEC. 2. In consideration of the foregoing, the lessee hereby agrees:

(a) Bonds.— (1) To maintain any bond furnished by the lessee as a condition for the issuance of this lease. (2) If the lease is to be reconveyed, to furnish a bond in a sum double the amount of the \$1 per acre annual rental, but not less than \$1,000 nor more than \$5,000 upon the inclusion of any part of the leased land within the geologic structure of a producing oil or gas field. (3) To furnish prior to beginning of drilling operations and maintain at all times thereafter a required by the lessor a bond in the penal sum of \$5,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease, unless a bond in that amount is already being maintained by another such bond furnished by an approved operator of the lease as aforesaid.

Until a general lease is included a noncompetitive lessee will be required to furnish and maintain a bond in the penal sum of not less than \$1,000 in those cases in which a bond is required by law for the protection of the owners of surface rights. In all other cases where a bond is not otherwise required, a \$1,000 bond must be filed for compliance with the lease obligations not less than 90 days before the due date of the next unpaid annual rental, but this requirement may be successively dispensed with by payment of each successive annual rental not less than 30 days prior to its due date.

(b) Cooperative or unit plan.— Within 30 days of demand, or if the land is within an approved unit plan, in the event such a plan be terminated prior to the expiration of this lease, within 90 days of demand thereafter, to subscribe to and to operate under such practicable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) Wells.— (1) To drill and produce all wells necessary to protect the leased land from drainage, and to plug any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate the lessor in full each month for the estimated loss of royalty through drainage in the amount determined under instructions of said Secretary; (2) at the election of the lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior; and (3) promptly after due notice in writing, to drill and produce such other wells as the Secretary of the Interior may require to insure diligence in the development and operation of the property.

(d) Rentals and royalties.— (1) To pay the rentals and royalties set out in the rental and royalty schedule attached hereto and made a part hereof.

All of Sections 7, 8 and 9 of Township 24 South, Range 30 East, Louisiana Meridian, as shown on a plat of survey of said Township approved May 18, 1842, including all land between the right descending shoreline of the Southwest Pass of the Mississippi River and West Bay or the Gulf of Mexico, as shown on said approved plat, containing 165 acres, more or less.

Sections 7 and 9 were acquired by the United States from the estate of Andrew Hodge by Act dated June 25, 1861, and recorded in Book 14, Page 397, of the records of Plaquemines Parish, Louisiana, said sections having been relinquished to the United States under authority of an Act of Congress of January 12, 1825, because of the deficiencies in acreage with respect to that set out in patents issued to Andrew Hodge, Assignee, said patents having been issued on Lot 7 June 18, 1836, Certificate No. 1336, recorded in Patent Book 4, Page 319 records of Plaquemines Parish, Louisiana, and on Lot 9 June 13, 1844, Certificate No. 1363, recorded in Patent Book 4, Page 323, records of Plaquemines Parish, Louisiana.

Section 8 was acquired by the United States by sale of the United States Marshal under a writ against Richard M. Carter January 7, 1843, recorded in Notarial Book 9, Page 513, records of Plaquemines Parish, Louisiana.

In addition to the above described land, the following parts or parcels accruing to the United States by virtue of accretion or reliction; beginning at the most easterly corner of Section 7, Township 24 South, Range 30 East, as shown on a plat of survey of said Township approved May 18, 1842; thence Southeasterly along an alignment at right angles to the present thread of the stream of Southwest Pass, a distance of 1300 feet, more or less, to a point on the present right descending shoreline of Southwest Pass; thence Southwesterly with the said shoreline a distance of approximately 5400 feet to the intersection thereof with a line at right angles to the present thread of the stream of Southwest Pass and located tangent to the most Southerly corner of Section 9, Township 24 South, Range 30 East as shown on a plat of survey of said Township approved May 18, 1842; thence Northwesterly along the said intersecting line a distance of 2750 feet, more or less, to the most southerly corner of said Section 9; thence Northeasterly with the shoreline of Southwest Pass as shown on the plat of survey of Township 24 South, Range 30 East approved May 13, 1842, the following courses and distances:

North 56° East, 1518 Feet, North 50° East, 1452 Feet,
North 55° East, 2310 Feet to the point of beginning,
containing 235 acres more or less.

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas; the consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by the lessee, to posted prices and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by the lessee as reasonably may be required by the lessor, but in no case shall the lessee be required to hold such royalty oil or other products in storage beyond the last day of the calendar month next following the calendar month in which produced. The lessee shall not be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Royalties shall be subject to reduction on the entire leasehold or on any portion thereof segregated for royalty purposes if the Secretary of the Interior finds that the lease cannot be successfully operated upon the royalties fixed herein, or that such action will encourage the greatest ultimate recovery of oil or gas or promote conservation.

(e) Contracts for disposal of products.—Not to sell or otherwise dispose of oil, gas, natural gasoline, and other products of the lease except in accordance with a contract or other arrangement first approved by the Director of the Geological Survey or his representative, such approval to be subject to review by the Secretary of the Interior but to be effective unless and until revoked by the Secretary or the approving officer, and to file with such officer all contracts or full information as to other arrangements for such sales.

(f) Statements, plots, and reports.—At such times and in such form as the lessor may prescribe, to furnish detailed statements showing the amount and quality of all products removed and sold from the lease, the proceeds therefrom, and the amounts used for production purposes or unavoidably lost; a plot showing development work and improvements on the leased lands and a report with respect to stockholders, investment, depreciation, and costs.

(g) Well records.—To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by the lessor of all wells drilled on the leased lands, and an acceptable record of all subsurface investigations affecting said lands, and to furnish them, or copies thereof to the lessor when required.

(h) Inspection.—To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps, and records relative to operations and surveys or investigations on the leased lands or under the lease.

(i) Payments.—Unless otherwise directed by the Secretary of the Interior, to give rental, royalty, or other payments to the lessee, to the order of the Treasurer of the United States, such payments to be tendered to the Director of the Bureau of Land Management, Washington 25, D.C.

(j) Diligence—Prevention of waste—Health and safety of workman.—To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells before abandoning the same; to carry out at expense of the lessee all reasonable orders of the lessor relative to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost; Provided, that the lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) Taxes and wages—Freedom of purchase.—To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil, and gas produced from the lands hereunder, or other rights, property, or assets of the lessee; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) Nondiscrimination.—Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all sub-contracts.

(m) Assignment of oil and gas lease or interest therein.—To file within 30 days from the date of final execution any instrument of transfer title of this lease, or any interest therein, including assignments of reversion, working or royalty interests, operating agreements and subleases for approval, such instrument to take effect upon its final approval by the Director, Bureau of Land Management, as of the first day of the lease month following the date of filing in the proper land office.

(n) Pipe lines to purchase or convey at reasonable rates and without discrimination.—If owner, or operator, or owner of a controlling interest in any pipe line or of any company operating the same which may be operated acceptably to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipe line, operating a lease or purchasing or selling oil, gas, natural gasoline, or other products obtained under a lease or permit granted by the United States.

(c) Reserved deposits. -- To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(d) Overriding royalties. -- To limit the obligation to pay overriding royalties or payments out of production in excess of 5 percent to periods during which the average production per well per day is more than 15 barrels on an entire leasehold or any part of the area thereof or any zone segregated for the computation of royalties.

(e) Reliver premises in cases of forfeiture. -- To deliver up the premises leased, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease; but this shall not be construed to prevent the removal, alteration, or renewal of equipment and improvements in the ordinary course of operations.

(f) Reserved lands. -- If any of the land included in this lease is reserved or designated for any particular purpose, the lessee shall conduct operations hereunder in conformity with such requirements as may be made by the appropriate agency official for the protection and use of the land for the purpose for which it was reserved or designated, so far as may be consistent with the use of the land for the purposes of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(g) Protection of property. -- To conduct all operations authorized by this lease with due regard for good land management; not to cut or destroy timber without first obtaining permission from the appropriate agency official, and to pay for all such timber cut or destroyed at rates prescribed by such official; to avoid unnecessary damage to improvements, timber, crops or other cover; whenever practicable, to control soil erosion resulting from the operation; to prevent pollution of soil and water resources; unless otherwise authorized by the appropriate agency official, not to drill any well within 200 feet of any building standing on the leased land; whenever required in writing to fence all sump holes and other excavations made by lessee; and unless otherwise authorized by such official, to bury all pipe lines below plow depth.

(h) Forest, brush and grass fire precautions. -- To do all in his power to prevent and suppress forest, brush or grass fires on the leased land and in its vicinity, and to require his employees, contractors, subcontractors, and employees of contractors and subcontractors to do likewise. Unless prevented by circumstances over which he has no control, the lessee shall place his employees, contractors, subcontractors, and employees of contractors and subcontractors employed on the leased land at the disposal of the appropriate agency official for the purpose of fighting forest, brush, or grass fires, with the understanding that payment for such services shall be made at rates to be determined by the official which rates shall not be less than the current rates of pay prevailing in the vicinity for services of a similar character. Provided, that if the lessee, his employees, contractors, subcontractors, or employees of contractors or subcontractors caused or could have prevented the origin or spread of the said fire or fires, no payment shall be made for services so rendered.

During periods of severe fire danger to forest, brush, or grass, as may be specified by the appropriate agency official, the lessee shall prohibit smoking and the lighting of camp and lunch fires by his employees, contractors, subcontractors, and employees of contractors

or subcontractors within the leased area except at established camps, and shall enforce this prohibition by all means within his power; Provided, That the appropriate agency official may designate safe places where, after all inflammable material has been cleared away, camp fires may be built for the purpose of heating lunches and where, at the option of the lessee smoking may be permitted.

The lessee shall not burn rubbish, trash, or other inflammable material except with the consent of the appropriate agency official and shall not use explosives in such manner as to scatter inflammable materials on the surface of the land during the forest, brush, or grass fire season, except as authorized to do so or on areas approved by such official.

The lessee shall build or construct such fire lines or do such clearing on the leased land as the appropriate agency official decides is necessary for forest, brush, and grass fire prevention and shall maintain such fire tools at his headquarters on the leased land as are deemed necessary by such official.

(u) Damage to property.—To pay the lessor or his tenant, as the case may be, for any and all damage to or destruction of property caused by lessee's operations hereunder; to save and hold the lessor harmless from all damage or claims for damage to persons or property resulting from the lessee's operations under this lease; and where the surface of the leased land is owned by other than the lessor, to pay such owner, or his tenant, as the case may be, for damage or injury to livestock, crops, trees, pipe lines, buildings, and other improvements on the leased land.

(v) Restoration of surface of land.— Upon any partial or total relinquishment, cancellation or expiration of lease, lessee shall, as to that part of the leased land as to which his rights have terminated, and to the extent deemed necessary by the appropriate agency official fill all sump holes, ditches and other excavations, remove or cover all debris, and shall, so far as reasonably possible, restore the surface of the leased land to its former condition.

(w) Appropriate agency official.— To address all matters relating to this section to District Engineer, Corps of Engineers, Foot of Prytanis Street at New Orleans 9, Louisiana, who is hereby appointed the appropriate official of the United States agency having control of the land.

(x) Local agent.— To appoint and maintain at all times during the term of this lease a local agent upon whom may be served written orders or notices respecting matters contained in this section, and within 15 days after the date of this lease to inform the appropriate agency official, in writing, the name and address of such agent. If a substitute agency is appointed, lessee shall immediately so inform the said official.

(y) Water wells.— In case the lessee strikes water while drilling instead of oil or gas or abandons a well drilled as a water well, the right to purchase the casing in any such well at the reasonable salvage value thereof is expressly reserved by the United States.

STIPULATIONS FOR LANDS UNDER THE JURISDICTION OF DEPARTMENT
OF THE ARMY

The lands embraced in lease BLM-A 016334 Louisiana issued under the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, 30 U.S.C. 194 ed., section 181 et seq.), as amended, the Mineral Leasing Act of Acquired Lands of August 7, 1947 (61 Stat. 913, 30 U.S.C. 194 ed., Supp. III, sec. 35 et seq.) being under the jurisdiction of the Secretary, Department of the Army, the lessee hereby agrees:

1. That the plans for all structures and work on the leased premises shall be submitted to the District Engineer, Corps of Engineers, whose address is Foot of Prytania Street, New Orleans 9, Louisiana for prior approval before such structures and work are commenced and that such approval will be subject to such conditions as the District Engineer may prescribe.
2. Each proposed well site will be considered separately by the District Engineer, and approval for its construction will be given only after careful consideration. Oil-well structures will not be permitted channelward on the shore line of Southwest Pass, opposite the sections contained in the lease. No operations will be permitted which will involve pulling or hauling of equipment and supplies over the land so as to wear down the bank and form ruts which would permit water to flow from Southwest Pass into the Gulf of Mexico.
3. The lessee will assume full responsibility for any damage to the banks of the Pass or to structures installed by the Government.
4. The lessee shall furnish a general bond in the penal sum of \$20,000 for the removal of structures or, if preferred, a single bond for each structure installed. Such a single bond should be in the penal sum of \$5,000 for a pile foundation structure or \$3,000 if a drilling barge is used.


Lessee

SEC. 3. The lessor expressly reserves:

(a) Rights reserved—Easements and rights-of-way.—The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the mine or of other lands containing the minerals described in the act, and the treatment and shipment of products thereof, or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Disposition of surface.—The right to lease, sell, or otherwise dispose of the surface of any of the lands embraced within this lease which are owned by the United States under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the oil and gas therein.

(c) Monopoly and fair prices.—Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) Helium.—The ownership and the right to extract helium from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. In case the lessor elects to take the helium the lessee shall deliver all gas containing same, or portion thereof desired, to the lessor at any point on the leased premises in the manner required by the lessor, for the extraction of the helium in such plant or reduction works for that purpose as the lessor may provide, whereupon the residue shall be returned to the lessee with no substantial delay in the delivery of gas produced from the well to the purchaser thereof. The lessee shall not suffer a diminution of value of the gas from which the helium has been extracted, or loss otherwise, for which he is not reasonably compensated, save for the value of the helium extracted. The lessor further reserves the right to erect, maintain, and operate any and all reduction works and other equipment necessary for the extraction of helium on the premises leased.

(e) Taxing of royalties.—All rights pursuant to section 36 of the act of February 29, 1925 (41 Stat. 437, 30 U.S.C. sec. 181 et seq.), as amended, to take royalties in amount or in value of production.

(f) Fissionable materials.—All fissionable source materials, together with the right, at any and all times, to enter upon the lands and prospect for, mine and remove such materials, pursuant to Executive Order 9833 (12 F.R. 3243).

SEC. 4. Individual fractional interest.—Where the interest of the United States in the oil and gas underlying any tract or tracts described in section 1 hereof is an undivided fractional interest, the following terms and conditions shall apply:

(a) Rentals and royalties payable on a coast of each such tract shall be in the same proportion to the rentals and royalties provided for in the schedule attached to this lease as the undivided fractional interest of the United States in the oil and gas underlying each tract is to the full fee simple interest.

(t) If, during the period this lease is in effect, the lessee owns or holds under lease other undivided fractional interests in oil and gas underlying such tract, the right of the lessor to extract helium in accordance with section 3 (d) of this lease shall extend to all gas produced on the basis of such ownership or lease.

SEC. 5. Drilling and producing restrictions.—It is covenanted and agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal laws, State laws, and regulations issued thereunder, or similar agreements among operators regulating either drilling or production, or both. After unitization, the Secretary of the Interior, or any person, committee, or State or Federal officer or agency so authorized in the unit plan, may alter or modify from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

SEC. 6. Surrender and termination of lease.—The lessee may surrender this lease or any legal subdivision thereof by filing with the Director, Bureau of Land Management, Washington, D.C., a written relinquishment, in triplicate, which shall be effective as of the date of filing, subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the regulations and the terms of the lease, to be accompanied by a statement that all wages and moneys due and payable to the workmen employed on the land relinquished have been paid.

SEC. 7. Purchase of materials, etc., on termination of lease.—Upon the expiration of this lease, or the earlier termination thereof pursuant to the last preceding section, the lessor or another lessee may, if the lessor shall so elect within 3 months from the termination of the lease, purchase all materials, tools, machinery, appliances, structures, and equipment placed in or upon the land by the lessee, and in use thereon as a necessary or useful part of an operating or producing plant, on the payment to the lessee of such sum as may be fixed as a reasonable price therefor by a board of three appraisers, one of whom shall be chosen by the lessor, one by the lessee, and the other by the two so chosen; pending such election all equipment shall remain in normal position. If the lessor, or another lessee, shall not within 3 months elect to purchase all or any part of such materials, tools, machinery, appliances, structures, and equipment, the lessee shall have the right at any time, within a period of 60 days thereafter to remove from the premises all the material, tools, machinery, appliances, structures, and equipment which the lessor shall not have elected to purchase, save and except casing in wells and other equipment or apparatus necessary for the preservation of the well or wells. Any materials, tools, machinery, appliances, structures, and equipment, including casing in or out of wells on the leased lands, shall become the property of the lessor, on expiration of the period of 60 days above referred to or such extension thereof as may be granted on account of adverse climatic conditions throughout said period.

SEC. 8. Proceedings in case of default.--If the lessee shall not comply with any of the provisions of the act or the regulations thereunder or make default in the performance or observance of any of the terms, covenants, and stipulations hereof and such default shall continue for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Secretary of the Interior in accordance with the act, and all materials, tools, machinery, appliances, structures, equipment, and wells shall thereupon become the property of the lessor, except that if said lease covers lands known to contain valuable deposits of oil or gas, the lease may be canceled only by judicial proceedings in accordance with the act; but this provision shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture, or for the same cause occurring at any other time.

SEC. 9. Heirs and successors in interest.--It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SEC. 10 Unlawful interest.--It is also further agreed that no member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of section 3741 of the Revised Statutes of the United States, and sections 431, 432, and 433, Title 18, United States Code, relating to contracts enter into and form a part of this lease so far as the same may be applicable.

IN WITNESS WHEREOF,

THE UNITED STATES OF AMERICA.

FOR THE DIRECTOR, BUREAU OF LAND MANAGEMENT

FEB 1 1952

C. H. Anderson
 Chief, Bureau of Land Management
 Department of the Interior
 Chief, Division of Minerals

Witnesses to signature of lessee.

Lessee
 Lessee.



Schedule "A"

RENTALS AND ROYALTIES

Rentals.—To pay the lessor in advance on the first day of the month in which the lease issues a rental at the following rates:

(a) If the lands are wholly outside the known geologic structure of a producing oil or gas field:

- (1) For the first lease year, a rental of 50 cents per acre.
- (2) For the second and third lease years, no rental.
- (3) For the fourth and fifth years, 25 cents per acre.
- (4) For the sixth and each succeeding year, 50 cents per acre.

(b) On leases wholly or partly within the geologic structure of a producing oil or gas field:

- (1) Beginning with the first lease year after 30 days' notice that all or part of the land is included in such a structure and for each year thereafter, prior to a discovery of oil or gas on the lands herein, \$1 per acre.
- (2) On the lands committed to an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, for the lands not within the participating area an annual rental of 50 cents per acre for the first and each succeeding lease year following discovery.

Minimum royalty.—To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

Royalty on production.—To pay the lessor 12½ percent royalty on the production removed or sold from the leased lands.

The average production per well per day for oil and for gas shall be determined pursuant to 30 CFR, Part 221, "Oil and Gas Operating Regulations."

In determining the amount or value of gas and liquid products produced, the amount or value shall be net after an allowance for the cost of manufacture. The allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior.

18774

RECORDED PARISH OF FLAQUEMINES
ON THIS *16th* DAY OF *July* 19*57*
IN C. O. B. No. *176* FOLIO *239*
OF THIS PARISH. M.

Edith J. ...
Clerk of Court *16.01*

176
FOLIO *239*
M.
Clerk of Court *16.01*
658

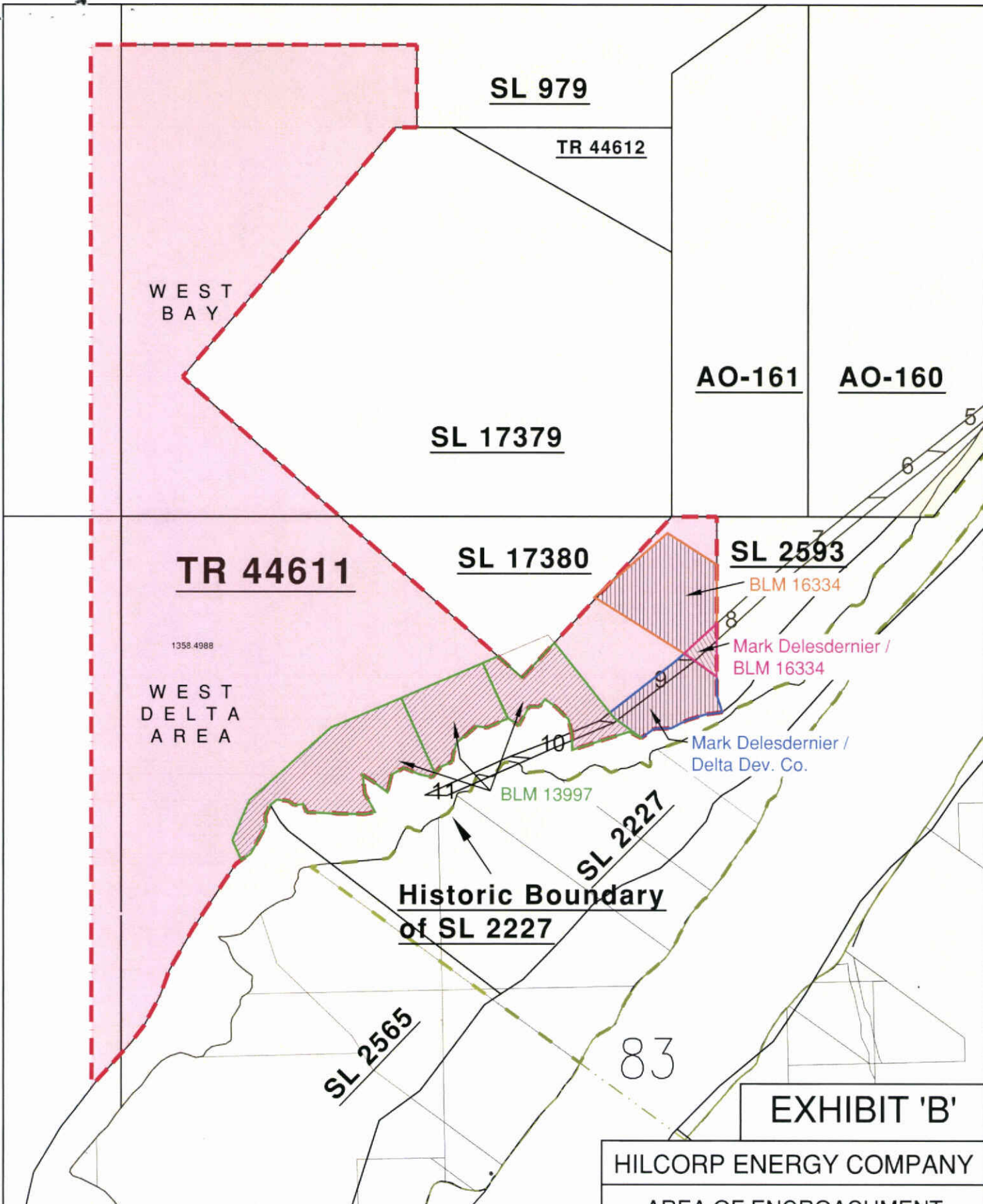


EXHIBIT 'B'




HILCORP ENERGY COMPANY

**AREA OF ENCROACHMENT
11/9/2016 STATE LEASE SALE
TRACT 44611**

West Delta Block 83 & Burrwood Fields

Plaquemines Parish, LA
Scale 1" = 2000'

prepared by: Guardian Land Services, Inc.
dated: October 12, 2016

-  AREA OF ENCROACHMENT
-  ACTIVE STATE LEASES
-  NOMINATED TRACT