

MINUTES

STATE MINERAL AND ENERGY BOARD

REGULAR MEETING AND LEASE SALE

MARCH 10, 2010

A Regular Meeting and Lease Sale of the State Mineral and Energy Board was held on Wednesday, March 10, 2010, beginning at 11:00 a.m. in the La Belle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

Mr. Scott A. Angelle, Chairman, called the meeting to order. He then requested Mr. Louis Buatt, Acting Secretary to the State Mineral and Energy Board, to call the roll for the purpose of establishing a quorum.

Scott A. Angelle, Chairman
W. Paul Segura, Jr., Vice-Chairman
Thomas L. Arnold, Jr.
Emile B. Cordaro
John C. "Juba" Diez
Bay E. Ingram
Robert "Michael" Morton
Thomas W. Sanders
Darryl D. Smith
Helen G. Smith

The following member of the Board was recorded as absent:

Garret Graves (Governor Bobby Jindal's designee to the Board)

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

Also recorded as present were:

Louis Buatt, Acting Assistant Secretary of the Office of Mineral Resources, and
Acting Secretary to the State Mineral and Energy Board
Victor Vaughn, Geologist Administrator-Geological & Engineering Division, and
Executive Officer to the State Mineral and Energy Board
Stacey Talley, Deputy Assistant Secretary of the Office of Mineral Resources
Frederick Heck, Director-Petroleum Lands Division
Rachel Newman, Director-Mineral Income Division
Emile Fontenot, Assistant Director-Petroleum Lands Division
Isaac Jackson, DNR General Counsel
Jackson Logan, Assistant Attorney General

At this time, the Chairman introduced Mr. Louis Buatt and stated that "many of you have had the opportunity to work with him in his other capacity as Assistant Secretary of the Office of Coastal Management and, due to the fact that Ms. Edwards has elected to return to the private sector, Mr. Buatt has agreed to serve as the Acting Assistant Secretary of the Office of Mineral Resources in addition to his role in Coastal Management. We are looking at streamlining opportunities to see whether or not we could actually bring those two offices together with the Office of Coastal and Mineral Management as the surviving agency. We're not sure what we will be doing but we will be looking at a lot of different things and I certainly welcome Lou. He is a great asset to the department and prior to that was the General Counsel at the Department of Environmental Quality and Assistant Secretary there as well. We've got another "all star" and I appreciate you making him feel welcome."

Mr. Buatt thanked the Chairman and stated that "I am happy to be aboard and look forward to working with you all."

The Chairman stated that the next order of business was the approval of the February 10, 2010 Minutes. A motion was made by Mr. Sanders to adopt the Minutes as submitted by the Executive Officer of the State Mineral and Energy Board and to waive reading of same. His motion was seconded by Mr. Segura and unanimously adopted by the Board.

The Chairman then stated that the next order of business would be the adoption of the Committee recommendations. Upon motion of Mr. Arnold, seconded by Ms. Smith, the recommendations of the following respective Committees regarding their reports were unanimously adopted by resolutions of the Board.

Lease Review Committee
Nomination & Tract Committee
Audit Committee
Docket Review Committee

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

At this time, a discussion among Board members and staff took place regarding the recommendation of Item No. 3 of the Legal & Title Controversy Committee which was previously reviewed in the committee meeting. Mr. Pat Theophilus of Theophilus Oil, Gas & Land Services who was representing Petrohawk Properties, LP came forward and addressed the Board regarding Item No. 3.

Secretary Angelle then gave a powerpoint presentation regarding Vital Statistics of Oil and Gas Industry in Louisiana. **(The report is hereby attached and made a part of the Minutes by reference.)**

The Chairman then announced that the Board would recess its regular meeting at 12:10 p.m. and go into executive session for technical briefing in order to consider matters before the Board which were confidential in nature. A motion was made by Mr. Arnold, seconded by Mr. Smith, and unanimously adopted by the Board.

During the technical briefing, the Board conferred with staff personnel concerning the merit of the bids that were submitted and opened earlier today at a public meeting*, based on geological, engineering and other confidential data and analyses available to the Board and staff, after which, upon motion of Mr. Arnold, seconded by Mr. Cordaro, and unanimously adopted by the Board, the Board reconvened in open session at 12:20 p.m.

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

The Chairman then stated that the next order of business was the awarding of the leases. Based upon recommendations announced by Mr. Victor Vaughn, the following action was then taken by the Board. Leases awarded were conditioned on tract descriptions being accurate, overlapped prior leases being subtracted from acreage bid on, acreage amount being verified and agreed between bidder and State and portion bids verified as being located within advertised boundary of tracts.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 41339, said portion being 906.985 acres more particularly described in said bid and outlined on accompanying plat, to Coastal Land Services, Inc. As to the bid by Audubon Oil and Gas Corporation, the bid overlapped the bid by Coastal Land Services, Inc. on 906.985 acres. Therefore, Audubon Oil and Gas Corporation, after the property descriptions were finalized, was granted the option to take the lease on the property which it bid at its bid price, less and except the overlapped area which was in the bid containing 906.985 acres by Coastal Land Services, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on a portion of Tract 41340, said portion being 504.415 acres more particularly described in said bid and outlined on accompanying plat, to Coastal Land Services, Inc.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41341 to Classic Petroleum, Inc.

Mr. Arnold made a motion to award a lease on Tract 41342 to Matador Resources Company. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41343 to Patrick L. Donohue Petroleum Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41344 to Patrick L. Donohue Petroleum Properties, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on a portion of Tract 41345, said portion being 26.0 acres more particularly described in said bid and outlined on accompanying plat, to Crescent Resources, LLC. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41346 to Crescent Resources, LLC. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Upon motion of Mr. Arnold, seconded by Mr. Sanders, the Board voted unanimously to award a lease on Tract 41347 to Cypress Energy Corporation.

Mr. Arnold made a motion to award a lease on Tract 41348 to Petrohood Corporation. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41349 to Petrohood Corporation. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

Mr. Arnold made a motion to award a lease on Tract 41350 to Classic Petroleum, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41351 to Classic Petroleum, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41352 to Classic Petroleum, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

A motion was made by Mr. Arnold to award a lease on Tract 41353 to Classic Petroleum, Inc. His motion was seconded by Mr. Sanders and unanimously adopted by the Board.

This concluded the awarding of the leases.

The Chairman then stated that the next order of business would be the adoption of the Legal & Title Controversy Committee recommendations with the exception of Item No. 3. Upon motion of Mr. Arnold, seconded by Ms. Smith, the recommendations of the Legal & Title Controversy Committee were unanimously adopted by resolutions of the Board.

For the record, there was no one who came forward for public comment

At this time, Mr. Buatt gave the following results of the lease sale: "Today's Lease Sale results came to \$4,762,934.05 with the fiscal year-to-date 2009/2010 cash payments totaling \$49,987,872.39."

At this time, the Chairman recognized Ms. Monique Edwards and stated that "she had recently resigned to go back to the private sector and that the Board would like to recognize and thank her for her service to the State Mineral and Energy Board for the past year as well as her service for the last several years as executive counsel to the Department of Natural Resources."

Ms. Edwards thanked the Board and stated that "Secretary Angelle recognized some talent and took me away from the legislature and brought me to the department and as life is things happen and we have to go and do other things. As I shared with each of you prior to today, those decisions of the heart are always the hardest."

Secretary Angelle stated that "I would like to publicly thank Ms. Edwards for the six years of great service that you provided to the public and, in particular, your wise counsel over the years."

Mr. Sanders personally thanked Ms. Edwards for the opportunity of working with her and for the private conversation they had which was the ultimate of professionalism.

Mr. Arnold also thanked Ms. Edwards and jokingly wanted to know if the seating arrangement could be redone so that he could sit next to Paul (Segura) again.

Ms. Smith also thanked Ms. Edwards and stated that it was a pleasure getting to know her and agreed that she was a consummate professional, very knowledgeable and helpful along the way.

Mr. Sanders proposed that a recognition resolution be drawn up thanking Ms. Edwards for her service. It was unanimously agreed by the entire Board.

Mr. Buatt then thanked Ms. Edwards for all of her hard years of public service. He further stated that before he came to DNR he had the opportunity to work with her on some legislative items when he was at the Department of Environmental Quality and that he cherished those times and learned a great deal from her. He also encouraged her to stay in touch and wished her well.

Mr. Diez thanked Ms. Edwards for her help here on the Mineral Board as well as the time he worked with her over at DOTD and when he was in the legislature.

Mr. Cordaro seconded everything that everyone had said and thanked her for always being so nice and pleasant.

At this time, Item No. 3 of the Legal & Title Controversy Committee was again taken up. Mr. Arnold made a motion to reject the previous recommendation by the Legal & Title Controversy Committee regarding Item No. 3. His motion was seconded by Ms. Smith and unanimously adopted by the Board.

Mr. Segura read and offered the following resolution into the record. A motion was made by Mr. Arnold, seconded by Ms. Smith, and unanimously adopted by the Board.

WHEREAS, present Louisiana State Mineral and Energy Board policy requires that a gas well be completed and tested as capable of producing in paying quantities before it is qualified and in-lieu royalty payments allowed to maintain the lease absent facilities to produce; and

WHEREAS, in the Haynesville Shale development area, wells drilled which would ordinarily be able to be qualified as capable of producing in commercial quantities by a well test upon completion, are often unable to be so qualified due to a shortage of established infrastructure (flow lines) to facilitate the ability to test the well; and

WHEREAS, to complete such a well without the capacity to flow gas once fracturing is accomplished would often lead to high probability of damage to the well and the formation; and

WHEREAS, when a Lessee has invested large amounts of capital with the State to have a well drilled and otherwise, but for lack of infrastructure, said well would be capable of being completed and tested, and would allow for payments of in-lieu royalty to maintain the lease if full production could not be accomplished; and

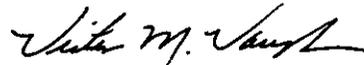
WHEREAS, due to this situation the State, in order to continue to facilitate development of gas in the Haynesville Shale, finds it a matter of beneficial public policy to allow the lessee to qualify a well without the necessity of a well test when there is a lack of infrastructure (flow lines) to conduct a well test, and pay an in-lieu royalty payment to maintain the lease beyond a critical date, if the lessee actually establishes production within the six (6) month period granted by the in-lieu payment.

NOW, BE IT THEREFORE RESOLVED, that the Louisiana State Mineral and Energy Board, as matter of beneficial public policy, shall allow the Lessee of a lease in the Haynesville Shale on which a well drilled to the Haynesville Shale structure, to qualify said well without the necessity of a well test only when there is a lack of infrastructure (flow lines) necessary to flow gas to conduct a well test, and pay an in-lieu royalty payment to maintain the lease beyond a critical date, conditioned upon the lessee actually establishing production within the six (6) month period granted by the in-lieu payment. If no production is so established the well will be deemed incapable of producing in paying quantities and, following the initial in-lieu payment period, this lease may only be maintained under its terms of the lease as if no qualification for in-lieu payments had been rendered.

Mr. Sanders inquired as to whether or not this policy only pertains to Item No. 3 and, after some discussion that the policy could apply either way, the policy resolution which was read, which applies to any lessee in the Haynesville Shale and not just to Petrohawk as lessee under Item No. 3, was adopted by the Board. **(Resolution is hereby attached)**

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Ingram, seconded by Mr. Smith, the meeting was adjourned at 12:40 p.m.

Respectfully submitted,

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

Victor M. Vaughn
Executive Officer
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

WHEREAS, present Louisiana State Mineral and Energy Board policy requires that a gas well be completed and tested as capable of producing in paying quantities before it is qualified and in-lieu royalty payments allowed to maintain the lease absent facilities to produce; and

WHEREAS, in the Haynesville Shale development area, wells drilled which would ordinarily be able to be qualified as capable of producing in commercial quantities by a well test upon completion, are often unable to be so qualified due to a shortage of established infrastructure (flow lines) to facilitate the ability to test the well; and

WHEREAS, to complete such a well without the capacity to flow gas once fracturing is accomplished would often lead to high probability of damage to the well and the formation; and

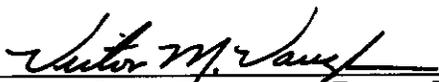
WHEREAS, when a Lessee has invested large amounts of capital with the State to have a well drilled and otherwise, but for lack of infrastructure, said well would be capable of being completed and tested, and would allow for payments of in-lieu royalty to maintain the lease if full production could not be accomplished; and

WHEREAS, due to this situation the State, in order to continue to facilitate development of gas in the Haynesville Shale, finds it a matter of beneficial public policy to allow the lessee to qualify a well without the necessity of a well test when there is a lack of infrastructure (flow lines) to conduct a well test, and pay an in-lieu royalty payment to maintain the lease beyond a critical date, if the lessee actually establishes production within the six (6) month period granted by the in-lieu payment.

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CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD



Louisiana Department of Natural Resources

Vital Statistics of Oil and Gas Industry in Louisiana

Prepared for
The State Mineral and Energy Board Meeting
March 10, 2010

Secretary Scott Angelle

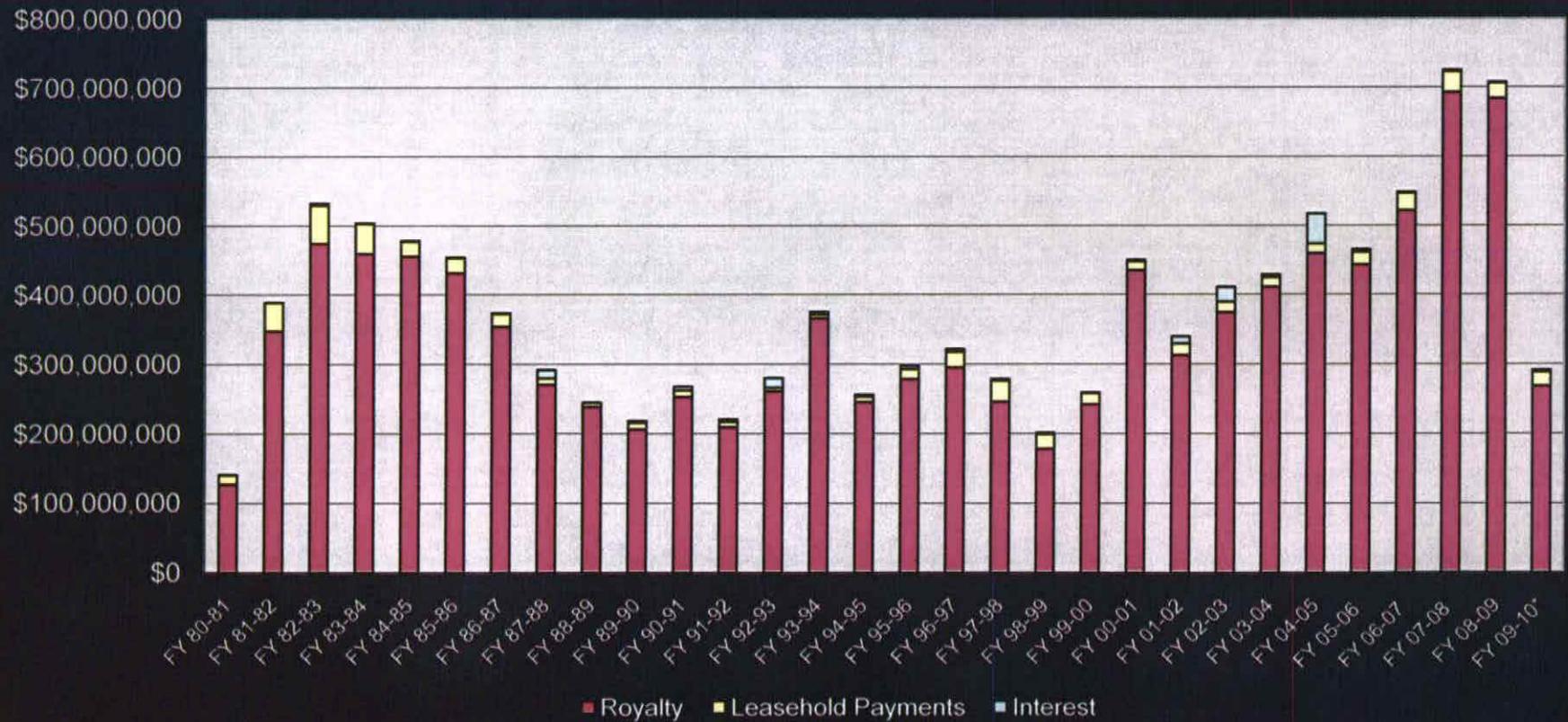


Mineral Income for Selected Years

	<u>Bonus</u>	<u>Royalty</u>	<u>Leasehold Payments</u>	<u>Interest</u>	<u>Oil & Gas Severance</u>	<u>Total</u>
FY 80-81	\$ 198,104,745	\$ 126,962,938	\$ 13,726,070	\$ 38,009	\$ 799,897,010	\$ 1,138,728,773
FY 88-89	\$ 28,745,161	\$ 239,046,099	\$ 5,812,014	\$ 843,904	\$ 397,374,852	\$ 671,822,031
FY 98-99	\$ 19,050,657	\$ 178,424,388	\$ 21,074,412	\$ 2,531,361	\$ 240,054,784	\$ 461,135,603
FY 03-04	\$ 25,978,167	\$ 411,350,277	\$ 13,474,503	\$ 4,304,885	\$ 480,748,795	\$ 935,856,627
FY 07-08	\$ 61,175,021	\$ 693,034,893	\$ 29,820,735	\$ 2,322,081	\$ 1,015,608,937	\$ 1,801,961,667
FY 09-10 projected	\$ 29,701,320	\$ 460,734,818	\$ 34,557,631	\$ 4,533,204	\$ 708,066,469	\$ 1,237,593,442



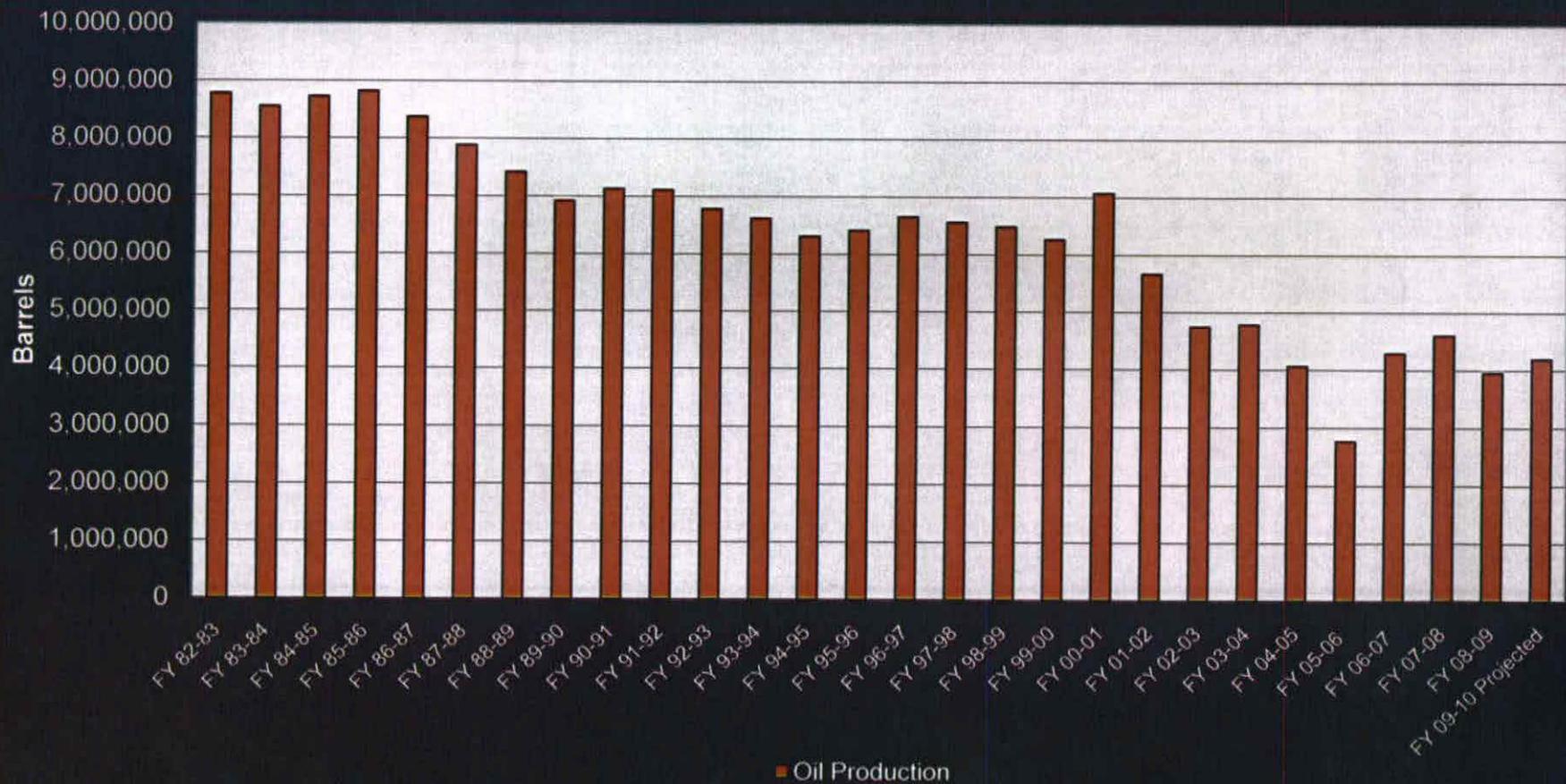
Historical Cash Receipts



*Fiscal Year to Date July 2009 – January 2010

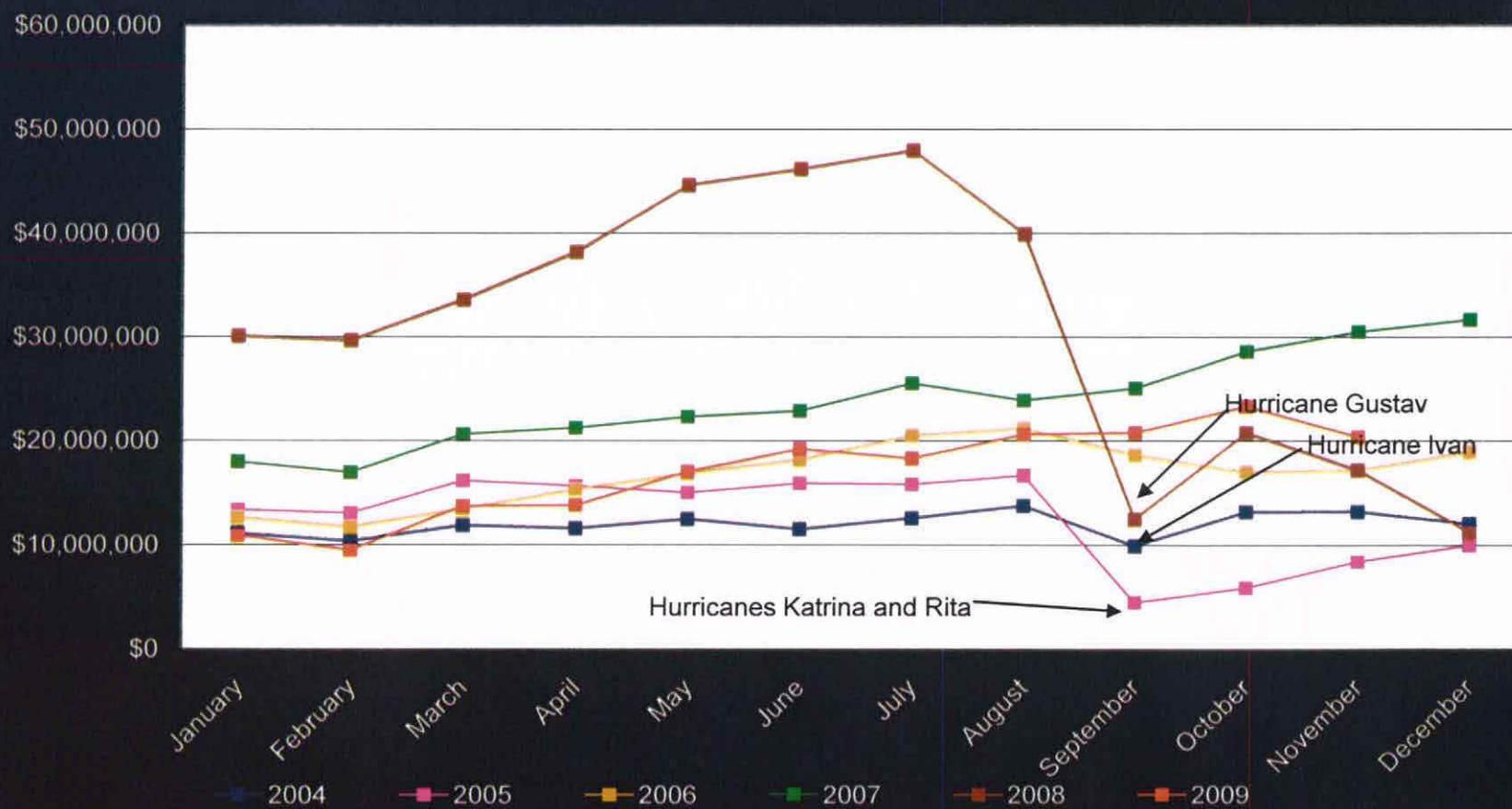


Historical Oil Production



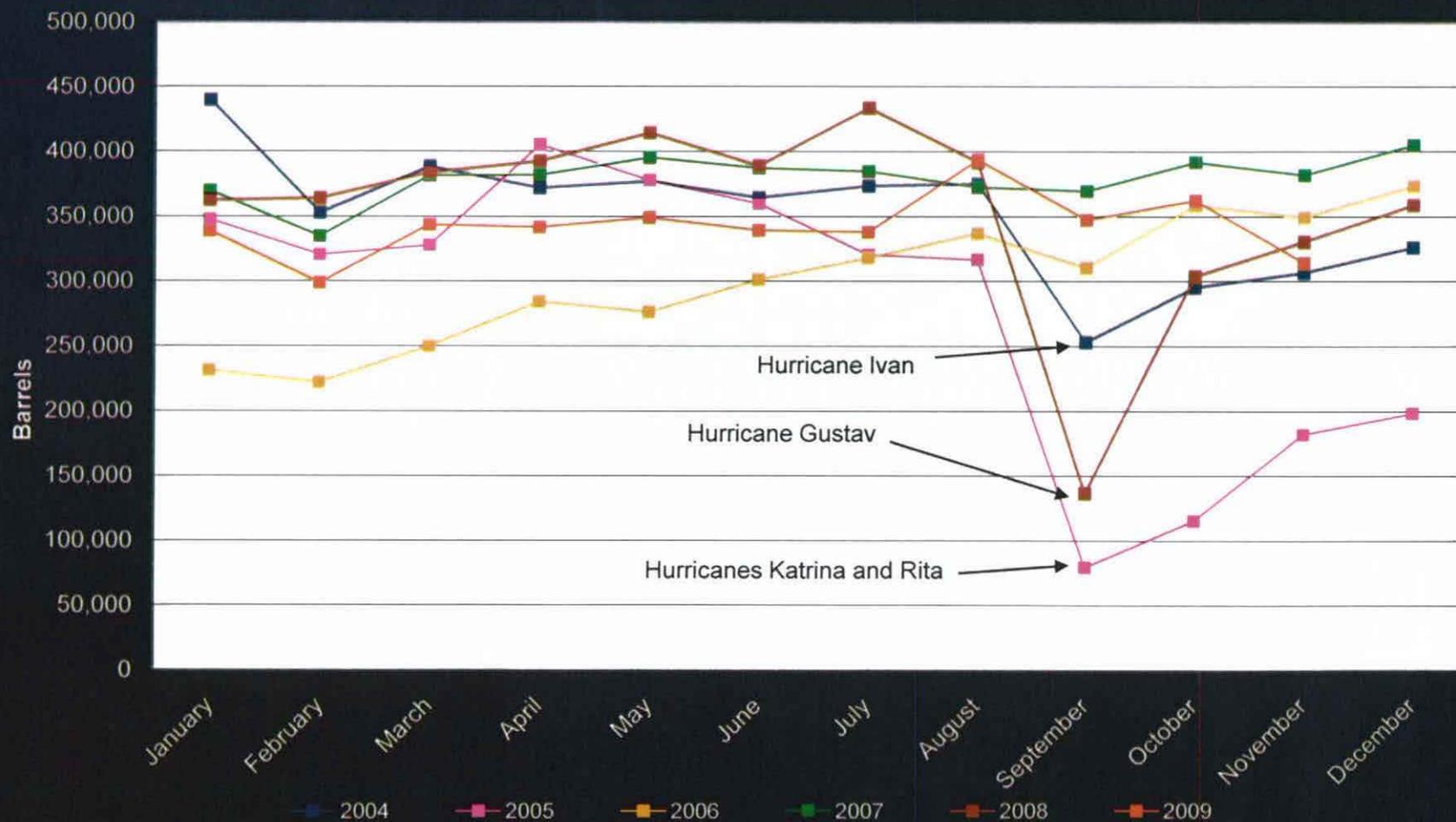


Oil Royalty by Disposition Month





Oil Volume by Disposition Month





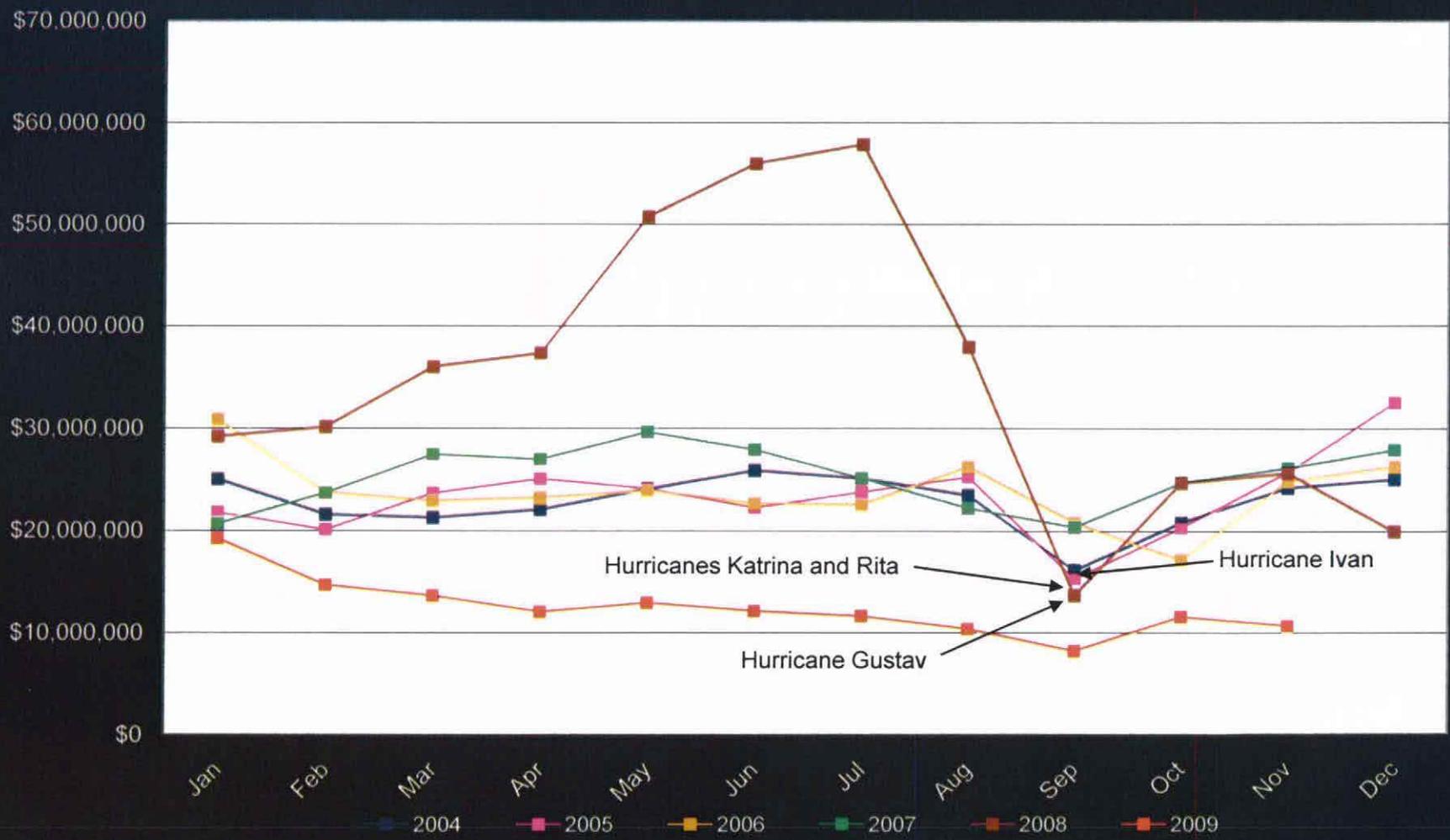
Oil Prices

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



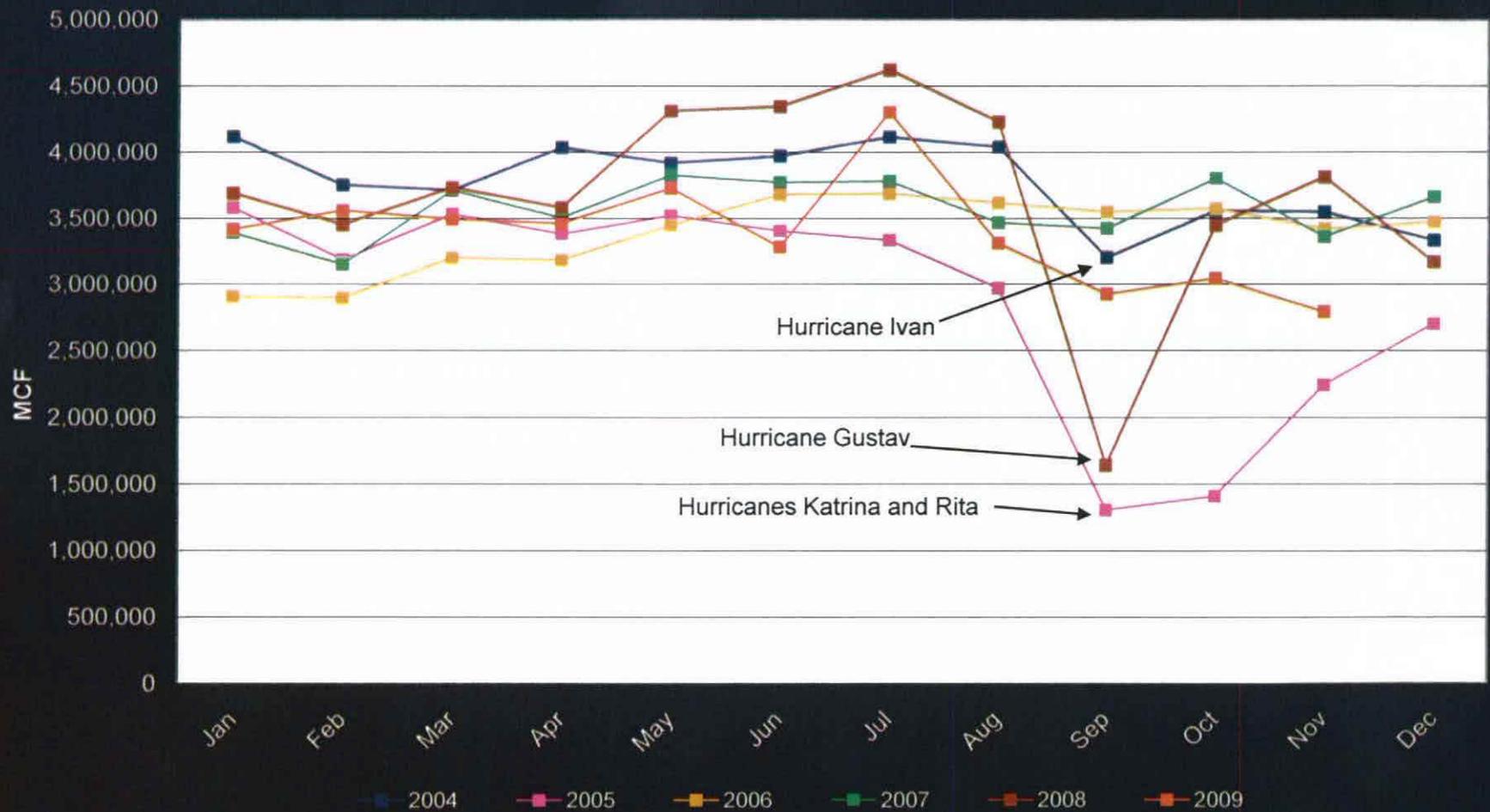


Gas Royalty by Disposition Month





Gas Volume by Disposition Month





Natural Gas Prices

Daily Cash Gas Prices at Henry Hubb \$/mmbtu





Revenue Estimating Conference

December 17, 2009

Oil & Gas Forecast

	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14
PRICE						
Oil (\$/bbl), WTI	\$69.71	\$69.32	\$65.64	\$68.74	\$65.97	\$66.00
Gas (\$/MMBTU), HH	\$5.93	\$3.93	\$4.92	\$5.21	\$5.28	\$5.25
SEVERANCE TAX RATE						
Oil (% of Value)	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%
Gas (Cents per MCF)	\$0.288	\$0.331	\$0.153	\$0.186	\$0.206	\$0.263
REVENUE (Million \$)						
Severance Tax	780.00	888.60	790.80	839.10	831.30	834.60
Royalty	384.00	433.50	476.20	508.80	510.00	509.40
Rental	20.40	24.00	17.10	18.30	18.40	18.30
Bonus	30.70	20.00	34.70	37.00	37.10	37.10
Interest	1.00	2.50	2.40	2.50	2.60	2.50
Sum Total (Million \$)	1,216.10	1,368.60	1,321.20	1,405.70	1,399.40	1,401.90

Current Price 3/5/10

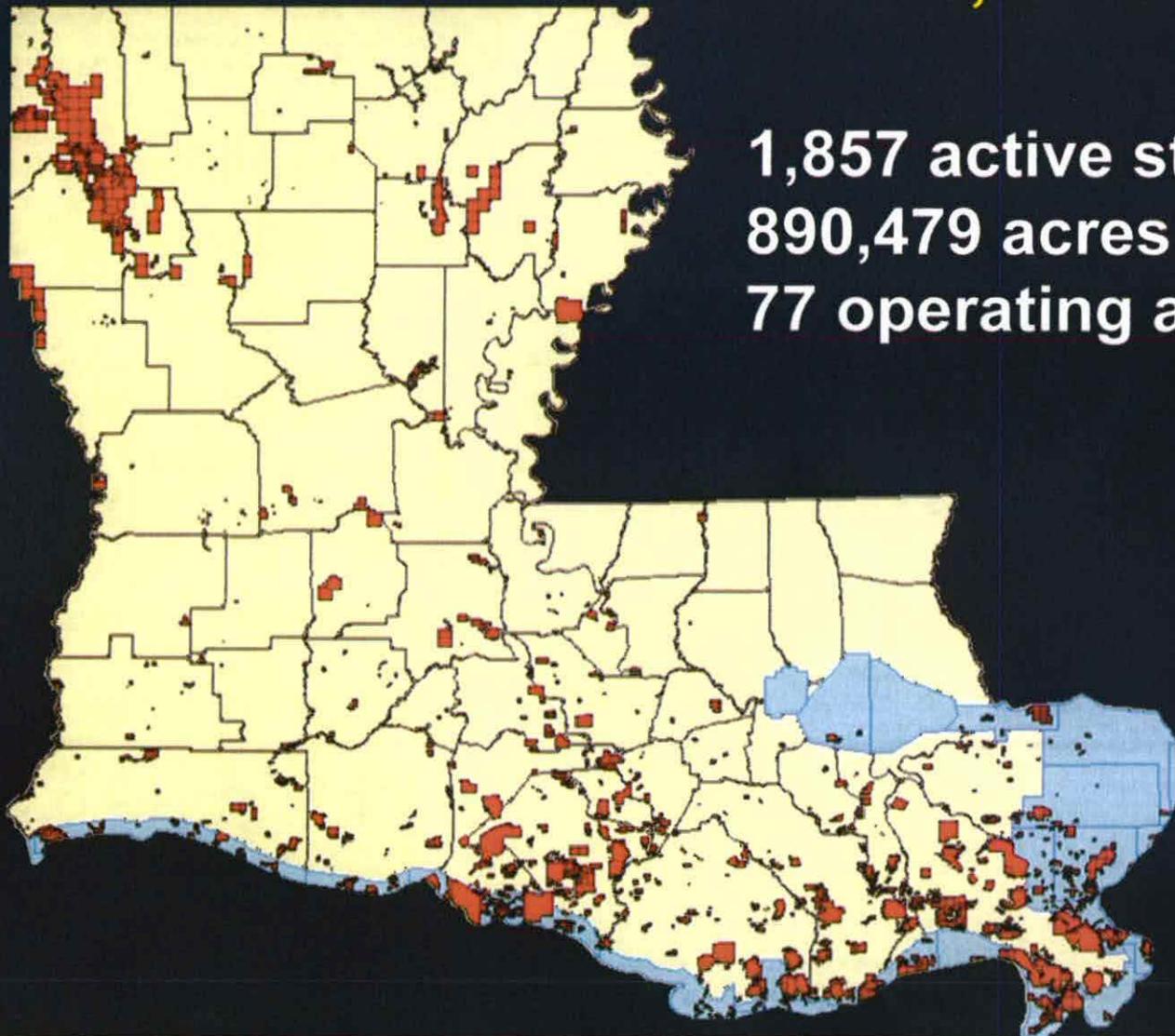
Oil \$ 82.43/ LLS Oil Spot @ St. James Terminal \$/bbl

Gas \$ 4.54 / Daily Cash Gas Prices @ Henry \$/mmbtu



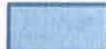
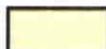
Active State Leases

as of March 3, 2010



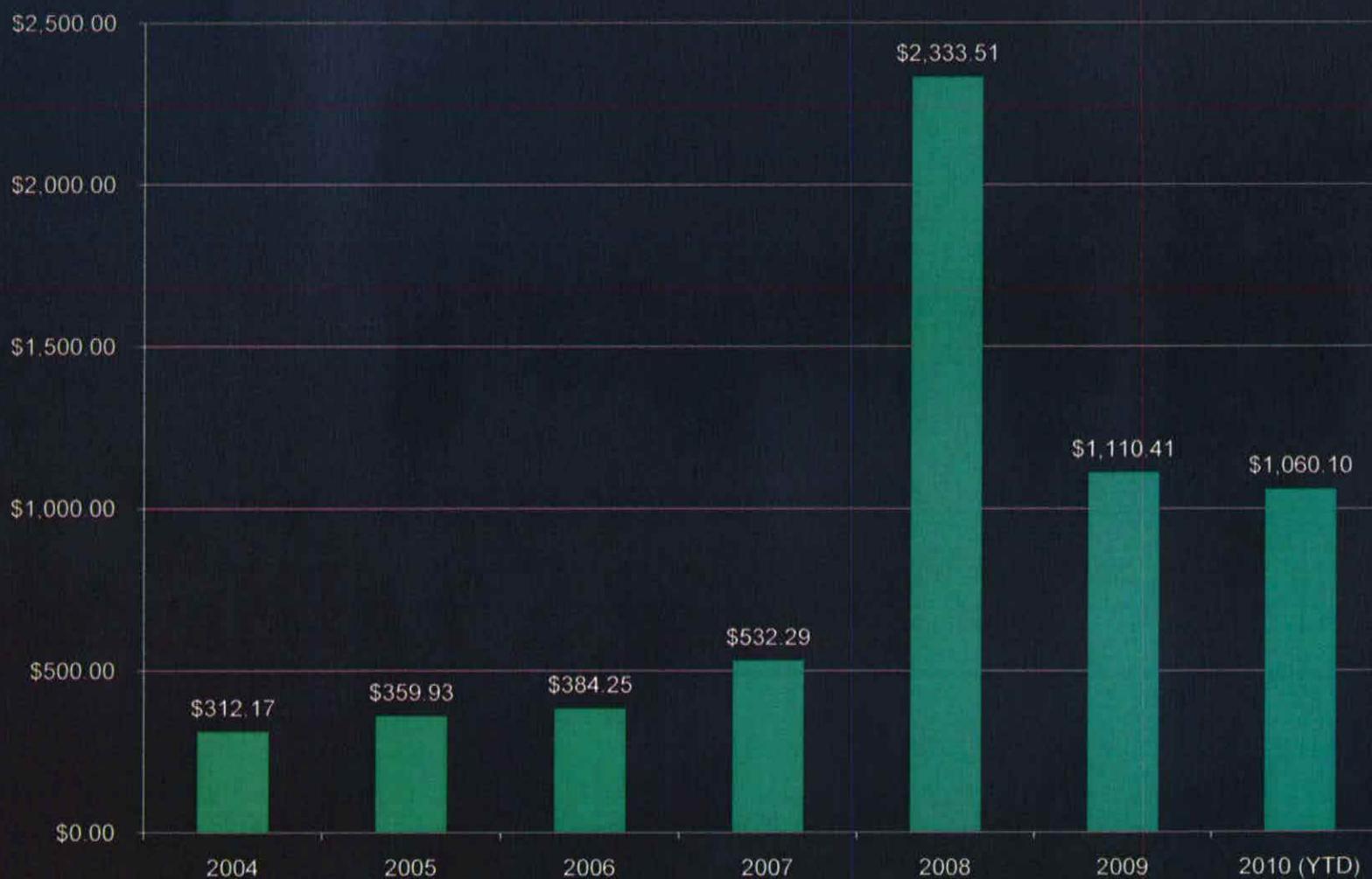
1,857 active state leases
890,479 acres under lease
77 operating agreements

Legend

-  Active Leases
-  Block Areas
-  Parishes

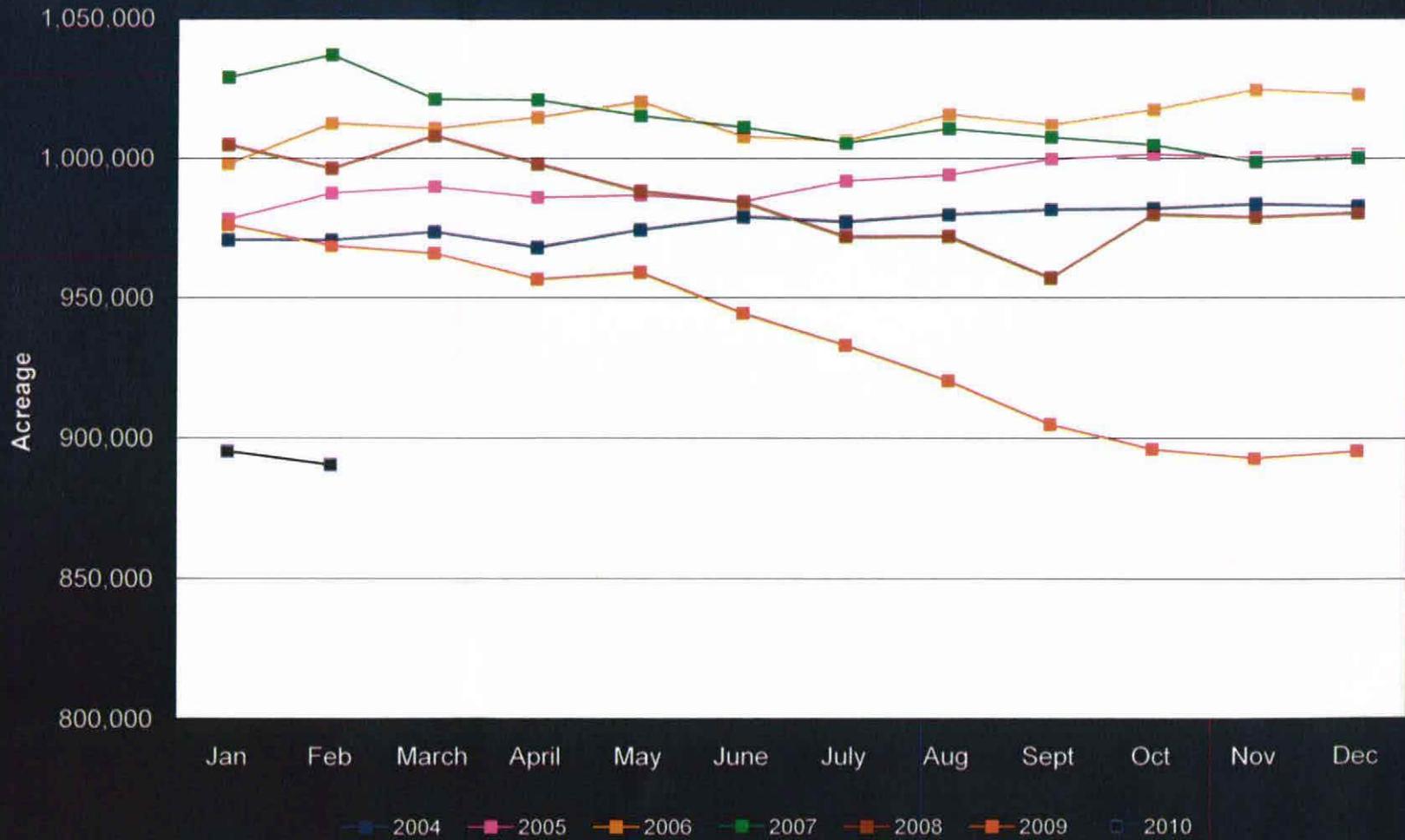


Average Bonus Price per Acre





State Acreage Under Lease



Slide 14

srt3

State acreage under lease has decreased due to the success of the lease review program. Releases of unproductive acreages have been secured and the acreage has been returned to commerce.

stacey, 3/8/2010



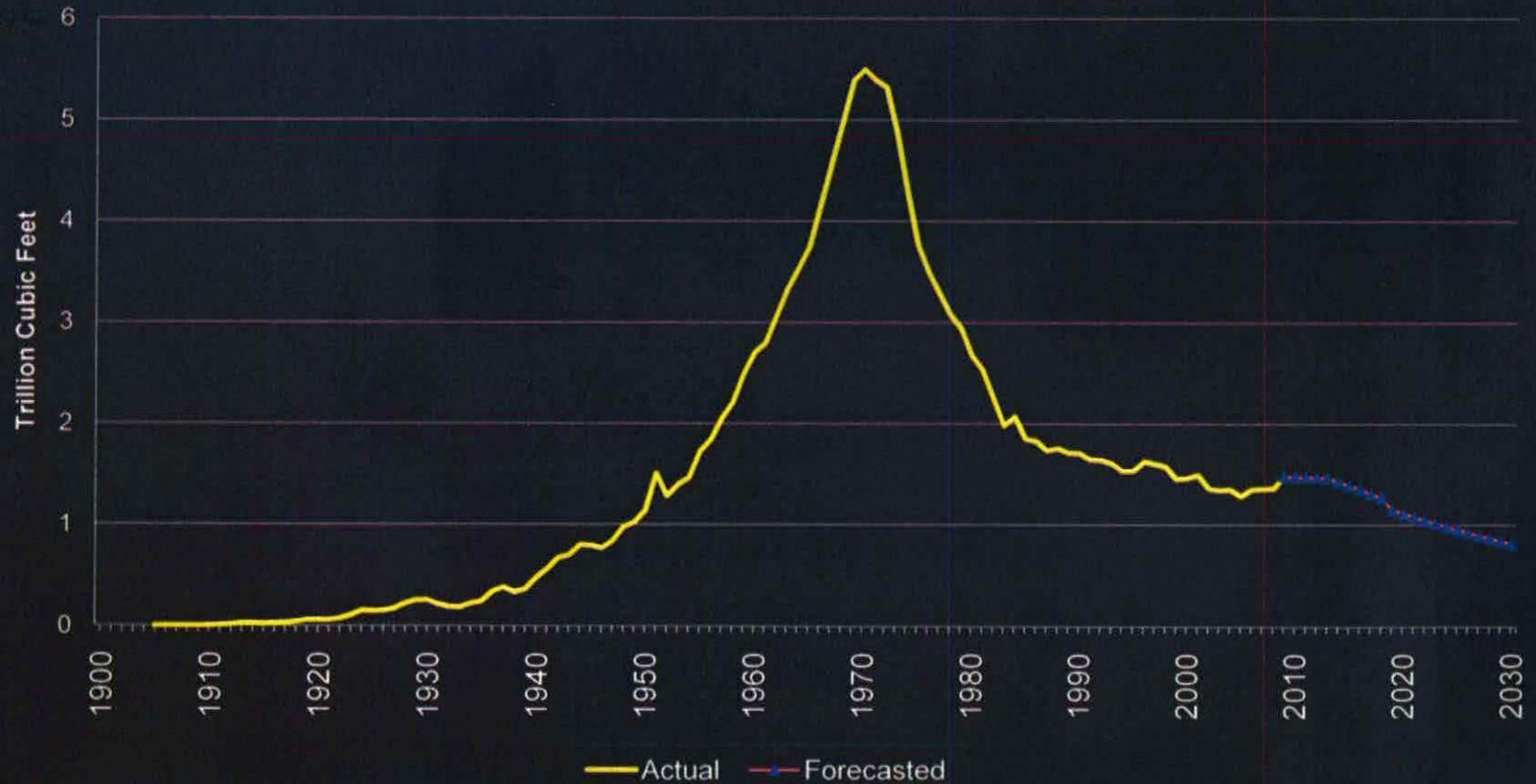
Productive Acres





LA Natural Gas Production

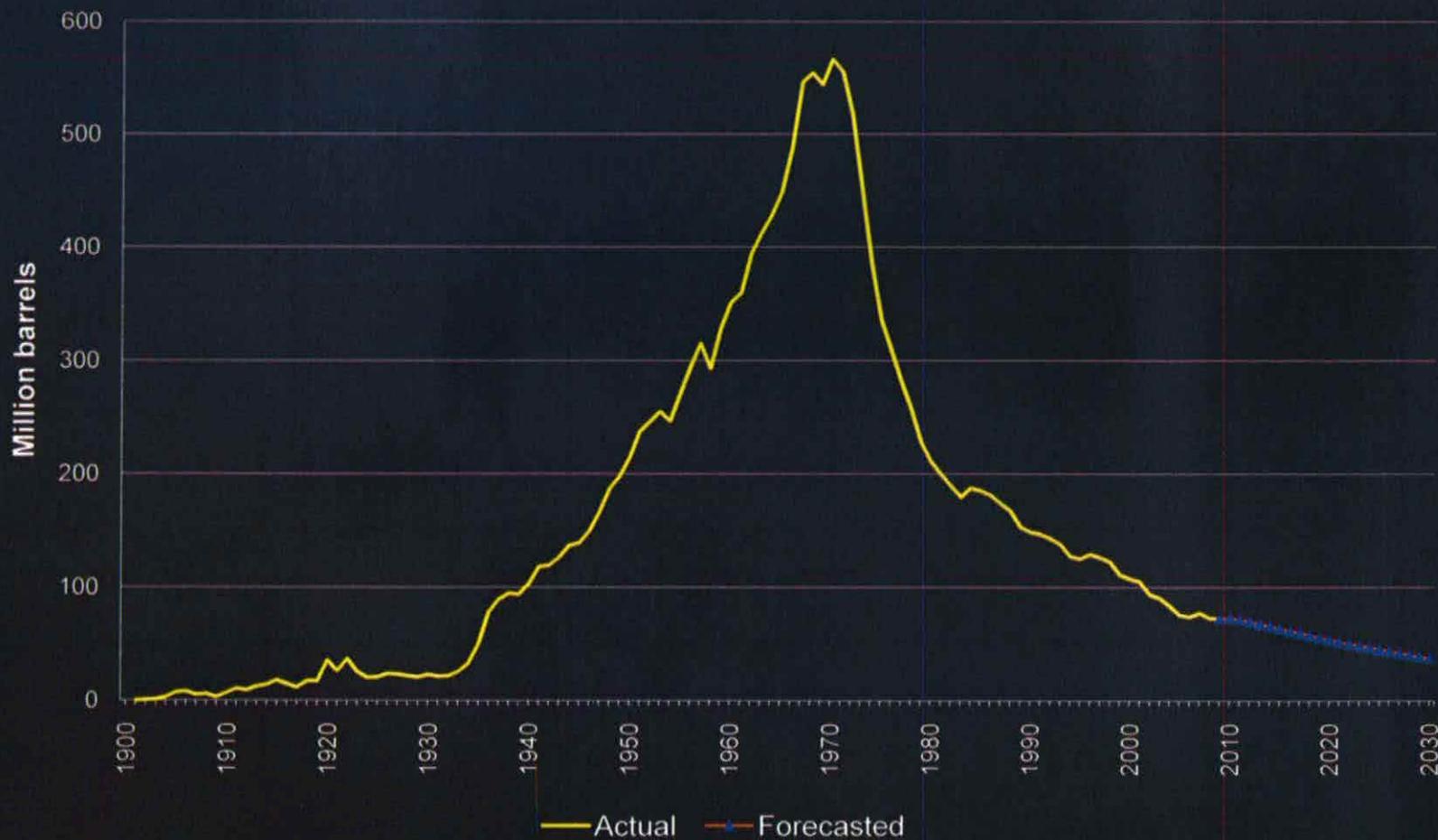
Actual & Forecasted Through Year 2030 Excludes OCS





Louisiana State Oil Production

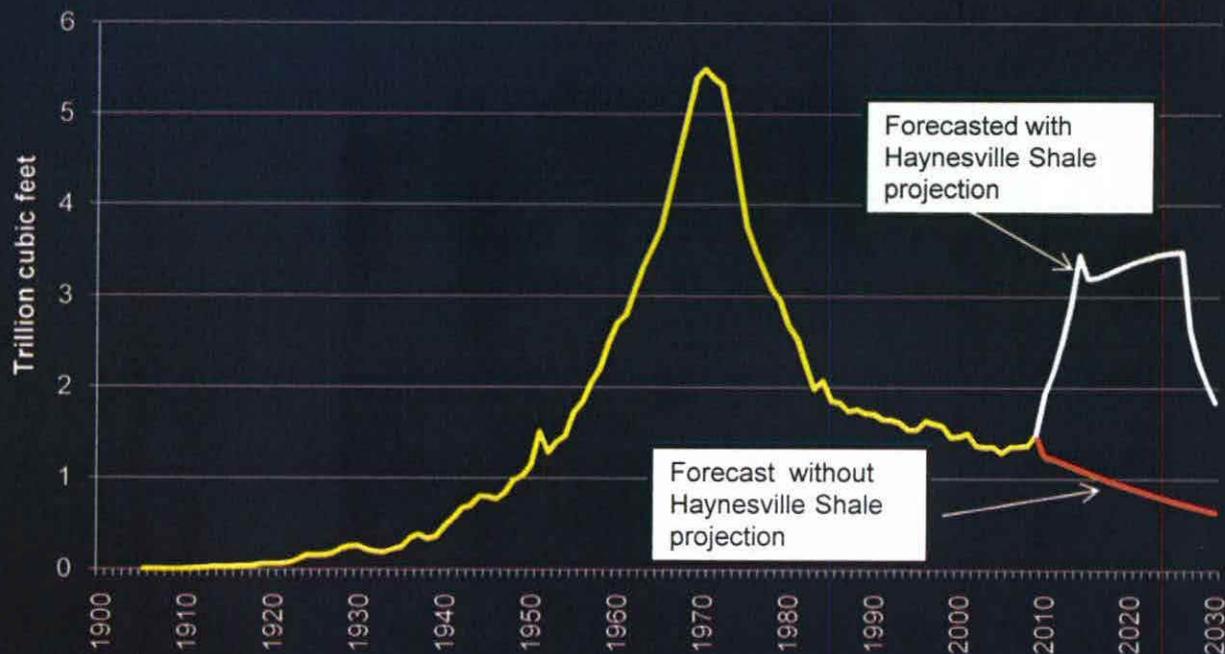
Actual and Forecasted Through Year 2030 Excluding OCS





LA Natural Gas Production

Actual & Forecasted Through Year 2030 Excludes OCS

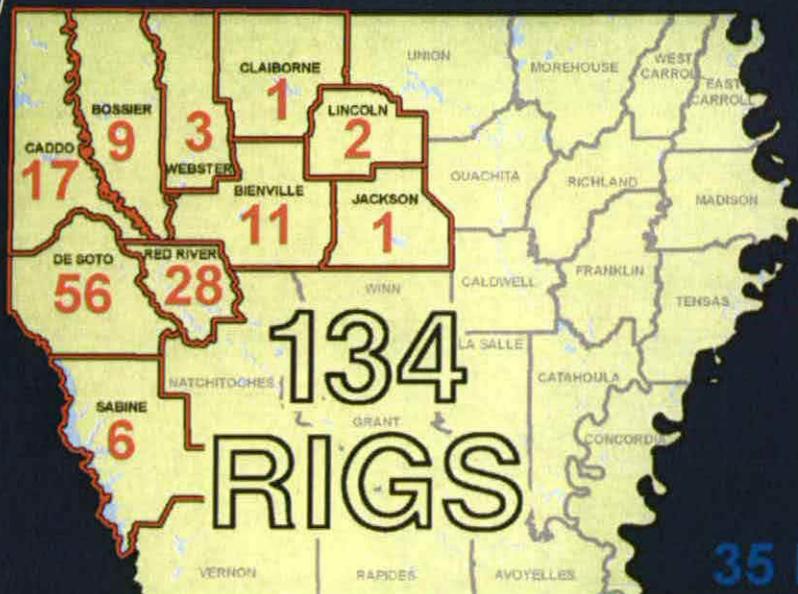


Haynesville Shale projection based on Office of Conservation drilling and production data

Projected data provided herein is based on a review of historical and current data and industry research and is subject to change based on economic factors



LOUISIANA Rig Count by Area



134 Rigs in North LA
(Of 30* Parishes in North LA, 10 have active rigs)

30 Rigs in South LA
(Of 39* Parishes in South LA, 15 have active rigs)

*Five Parishes are located in both North and South LA.
Land: 15
Inland Waters: 13
Offshore Waters: 2

35 Rigs in Federal Offshore OCS



Rig Total: 199

35 RIGS

Gas Price vs. Rig Count





Haynesville Shale Statistics

- Average formation thickness is 200 – 300 feet
- Estimated Louisiana Basin Area is 3,393 square miles or 2.17 million acres.
- 10 year supply of natural gas for US.
- New technology in horizontal drilling has allowed for the development of this play
- Horizontal Well Severance Tax Exemption (2 years from first production or payout)
- Well spacing pattern = 640 acres



Haynesville Compared To Other Shale Plays

- Industry production estimates for recoverable natural gas per well:
 - **Haynesville – 6.5 bcf**
 - Marcellus (West Virginia, Pennsylvania, New York) – 3.75 bcf
 - Barnett (Texas) – 2.65 bcf
 - Fayetteville (Arkansas) – 2.2 bcf
- Estimated Recoverable Natural Gas Estimates
 - **Haynesville – 251 tcf**
 - Marcellus (West Virginia, Pennsylvania, New York) – 50 tcf
 - Barnett (Texas) – 30 tcf
 - Fayetteville (Arkansas) – 20 tcf



United States Shale Gas Plays



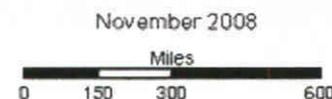
United States Shale Gas Plays

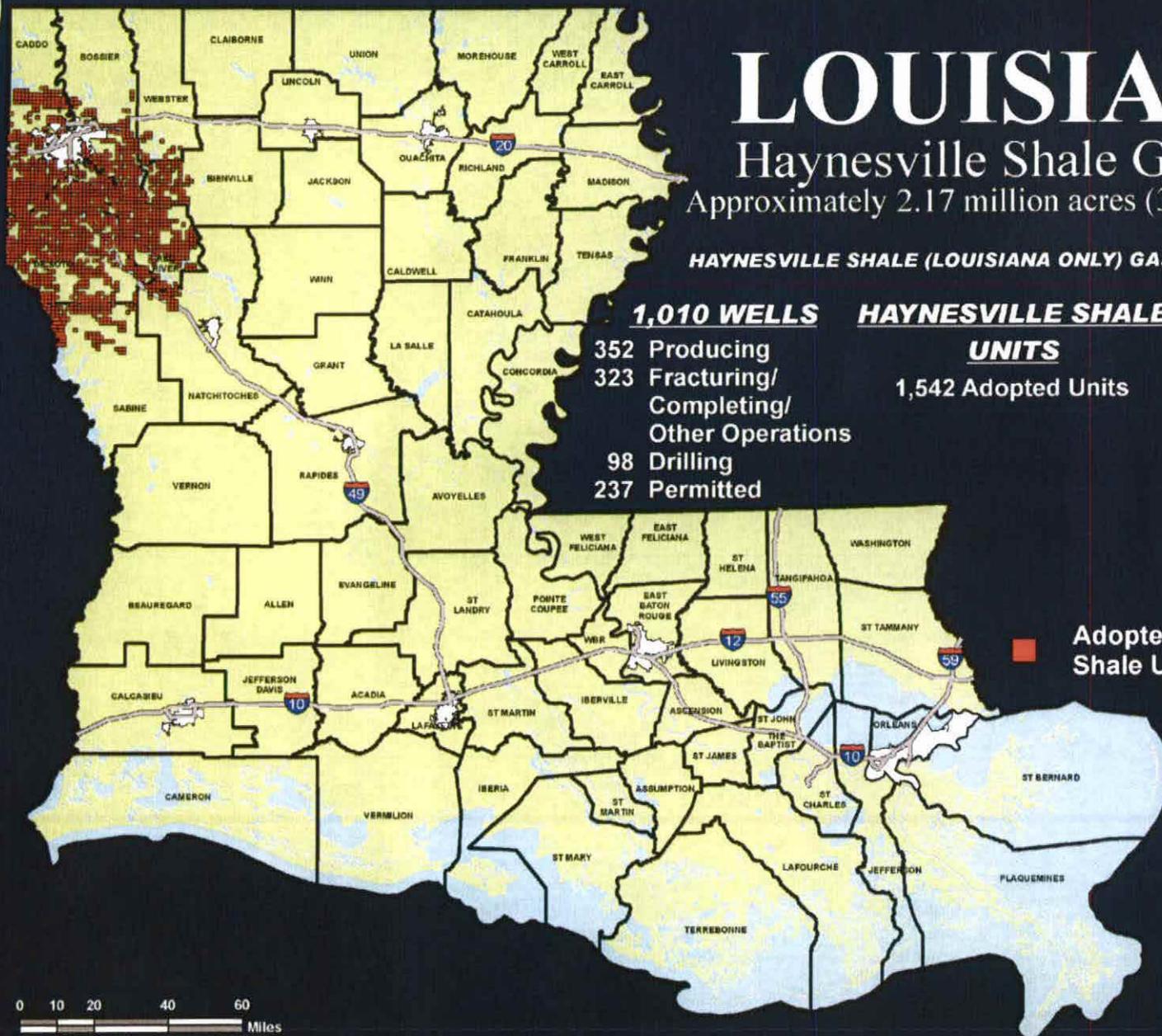
www.eia.doe.gov
eia Energy Information Administration
 Office of Oil and Gas

Shale Gas Plays
 Basins

Stacked Appalachian Plays

Marcellus
 Utica
 Devonian (OH shale)





LOUISIANA

Haynesville Shale Gas Play

Approximately 2.17 million acres (3,393 sq. miles)

HAYNESVILLE SHALE (LOUISIANA ONLY) GAS PLAY STATISTICS

1,010 WELLS **HAYNESVILLE SHALE** **8 PARISHES**

352 Producing
 323 Fracturing/
 Completing/
 Other Operations
 98 Drilling
 237 Permitted

UNITS

1,542 Adopted Units

Bienville
 Bossier
 Caddo
 De Soto
 Natchitoches
 Red River
 Sabine
 Webster

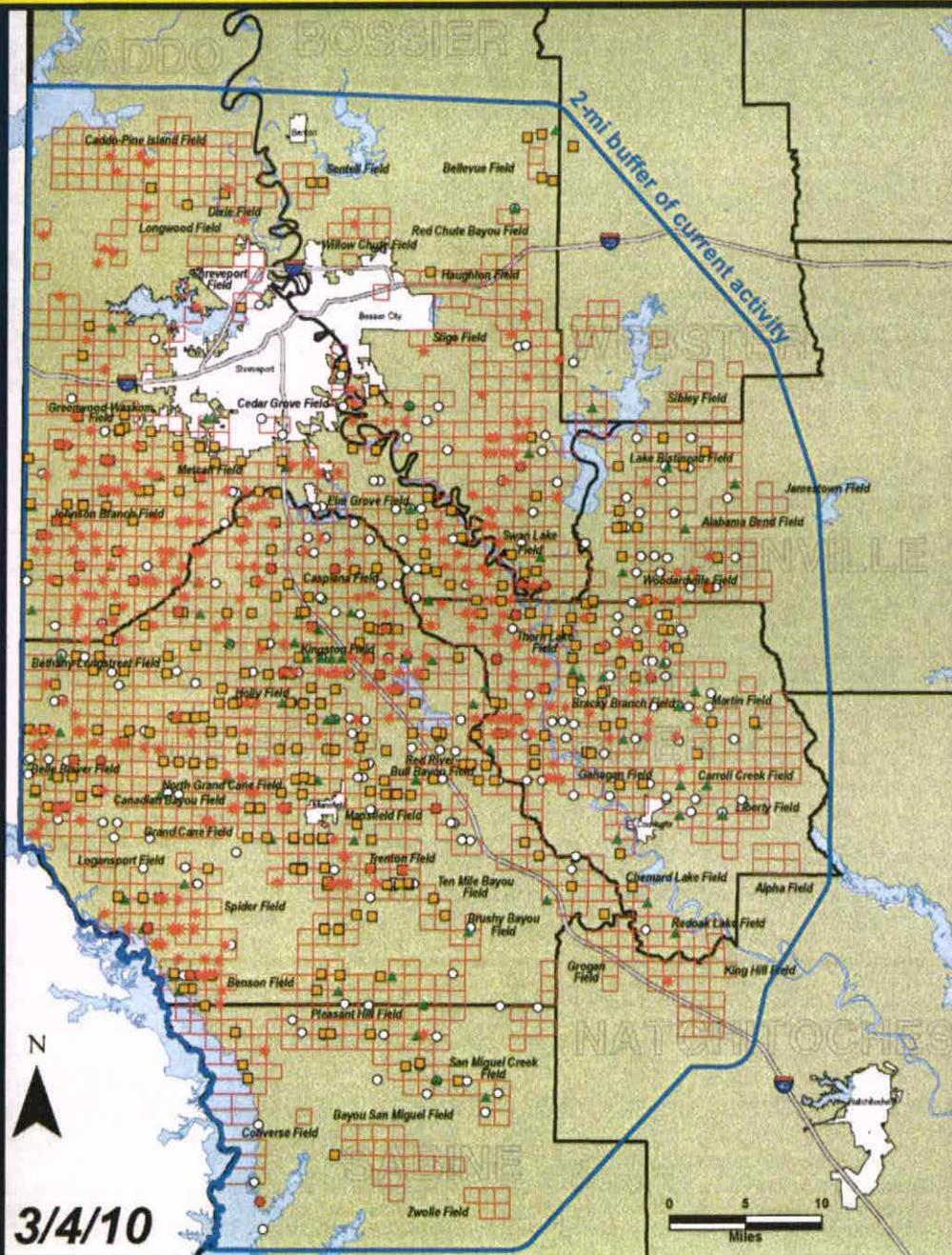
■ Adopted Haynesville Shale Unit



Well data as of 3/4/10



Current Haynesville Shale Activity



- ★ Producing Well (352)
- Permitted Well
- Waiting on Completion/
Fracturing/Testing/
Other Operations (323)
- ▲ Permitted Well
Drilling in Progress (98)
- Permitted Well
Not Drilling (237)

1,010 Total Wells

□ Adopted Unit (1,542)

1,542 Adopted Units

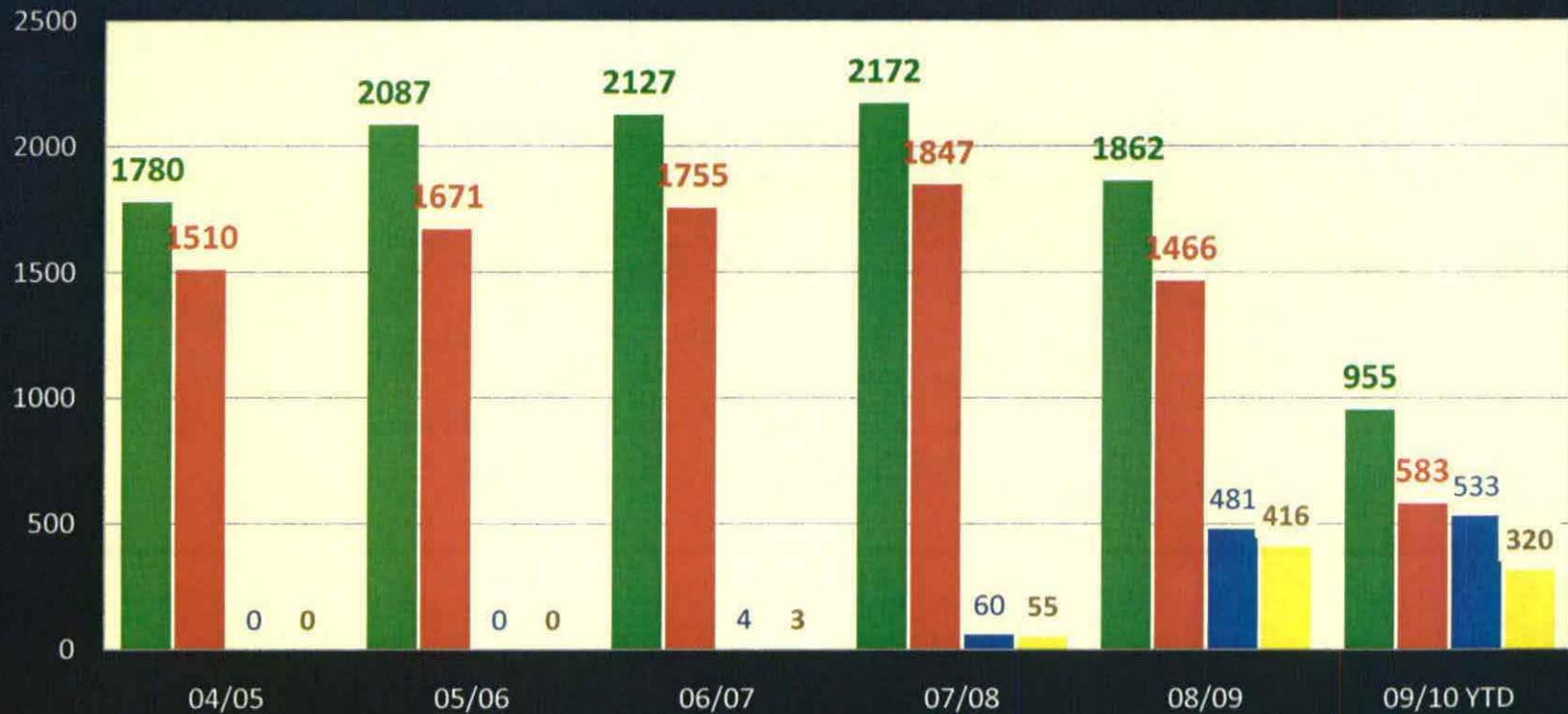
3/4/10

0 5 10
Miles



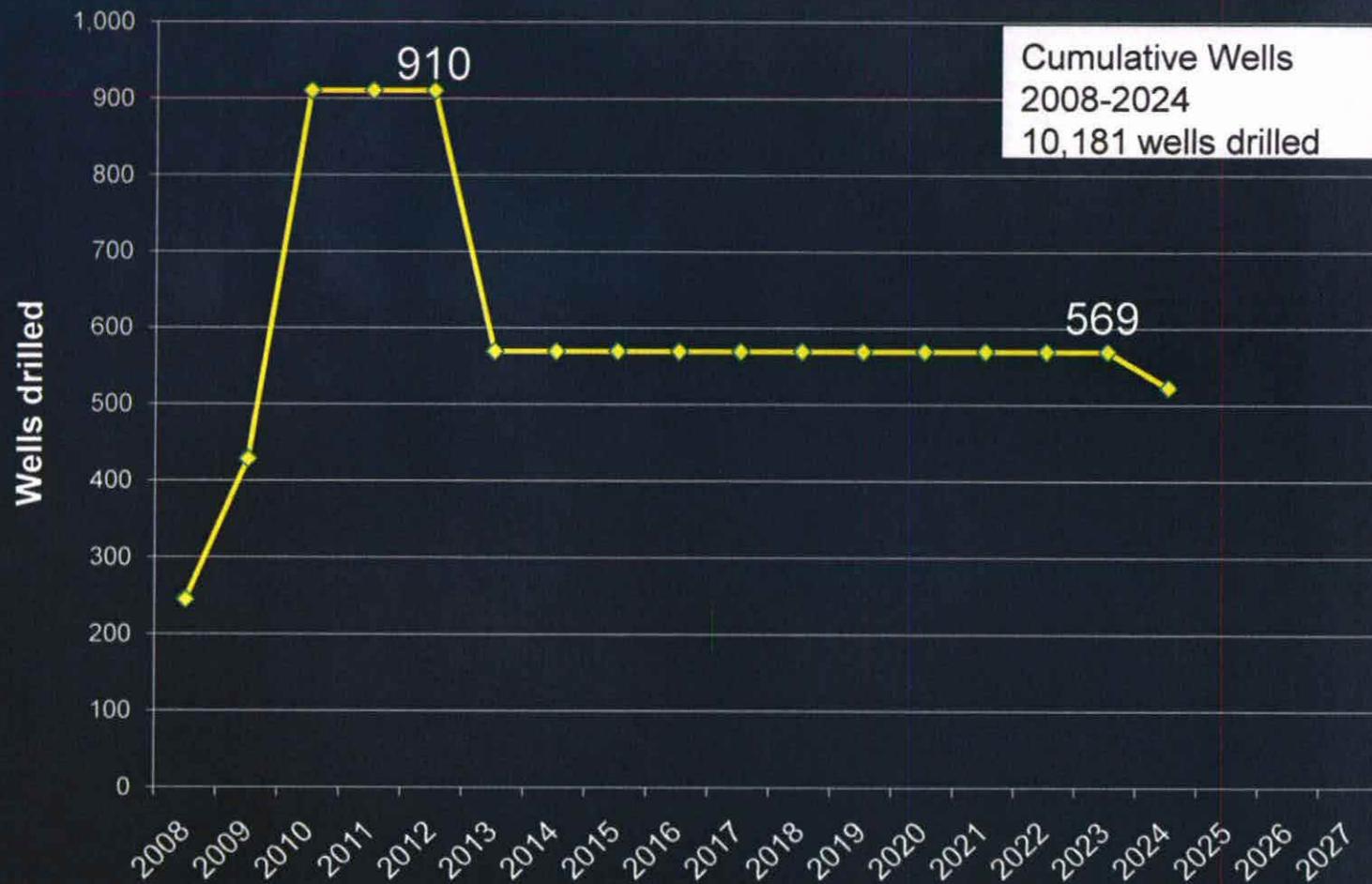
Total Wells Permitted & Drilled & Haynesville Wells Permitted & Drilled

■ Total Wells Permitted ■ Total of Wells Drilled ■ Haynesville Wells Permitted ■ Haynesville Wells Drilled





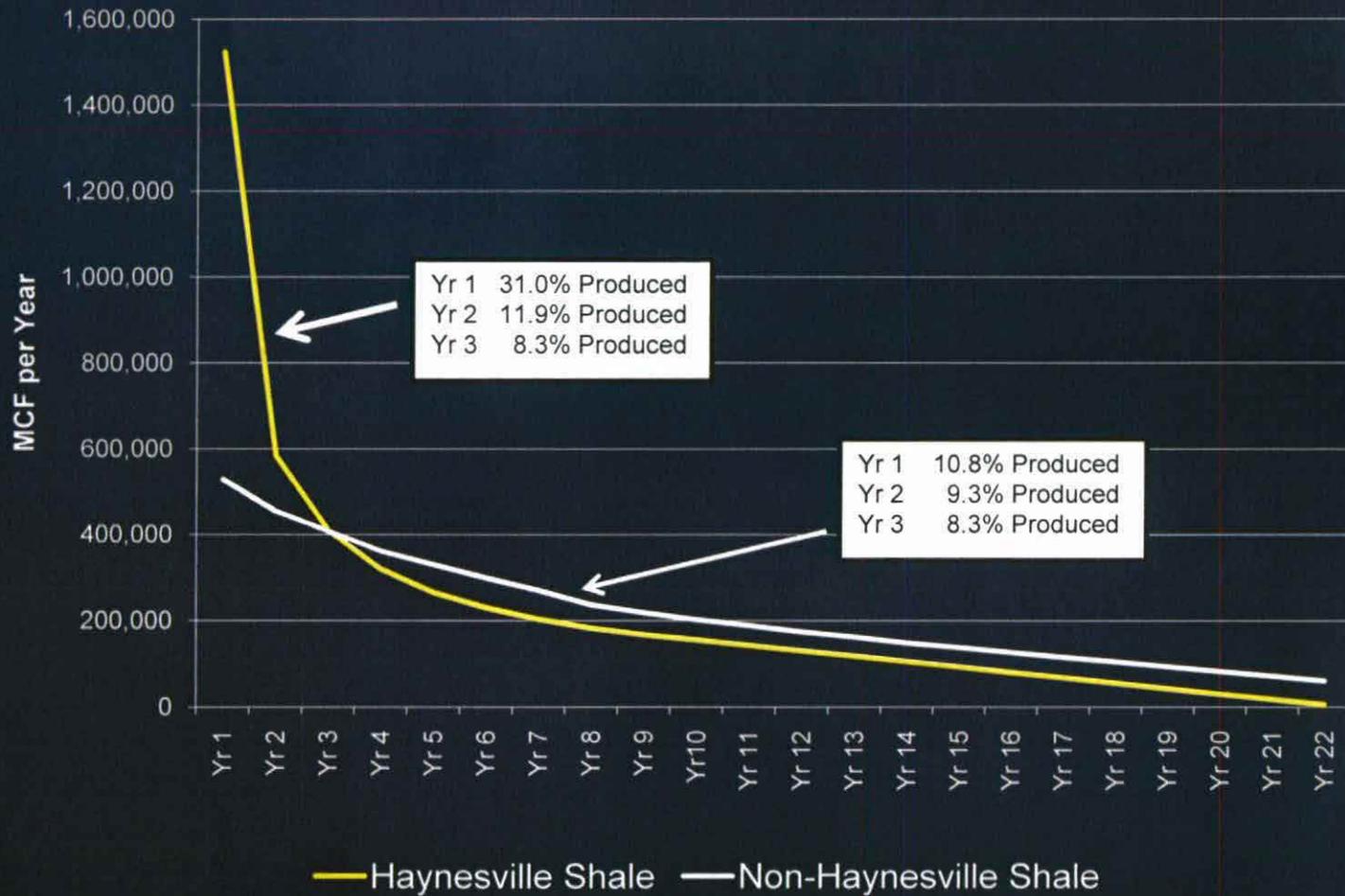
Haynesville Shale Projected Annual Natural Gas Wells Drilled



Projected data provided herein is based on a review of historical and current data and industry research and is subject to change based on economic factors



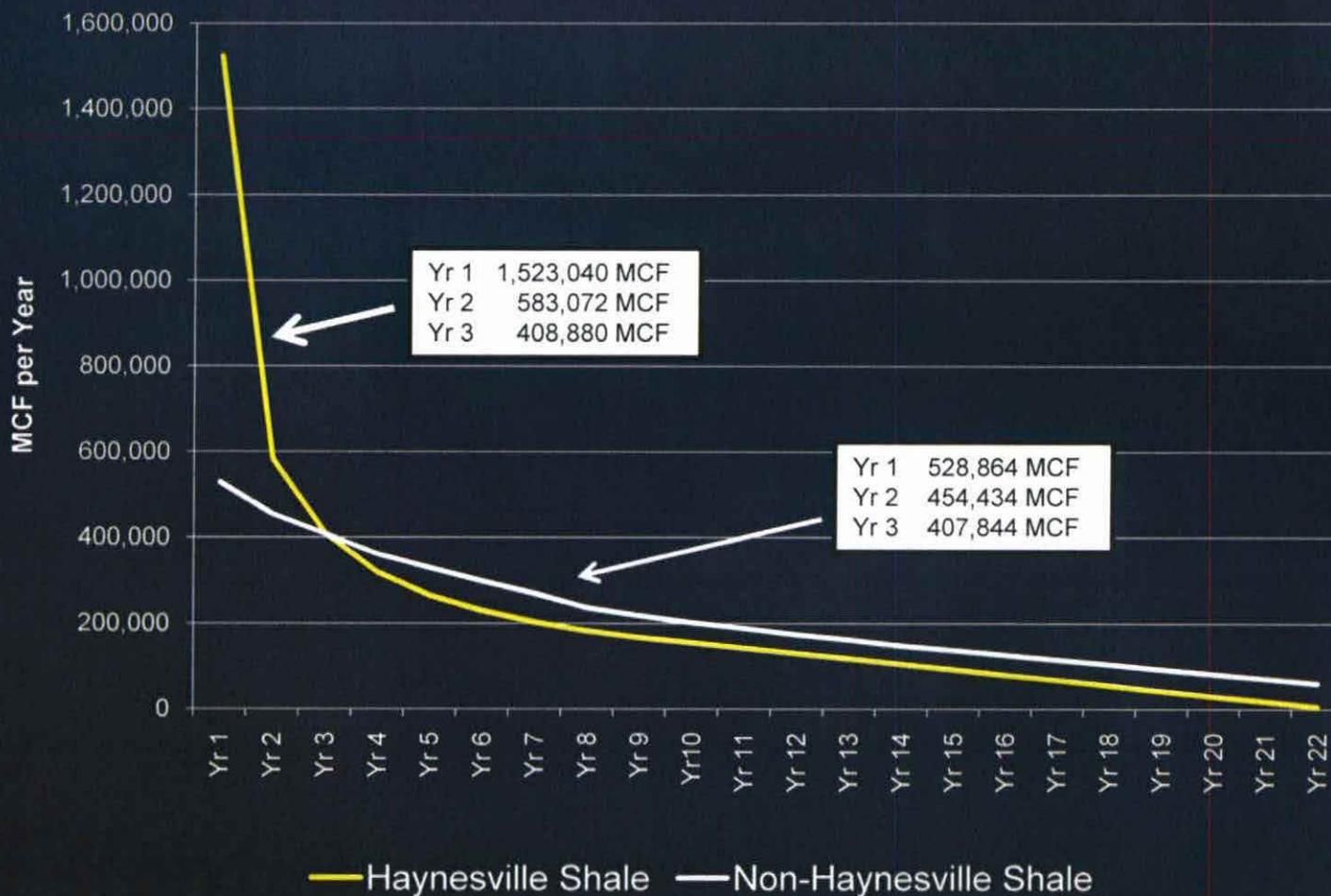
Louisiana Typical Haynesville Shale and Typical Non-Haynesville Shale Gas Well Decline Curve



Source Industry standards



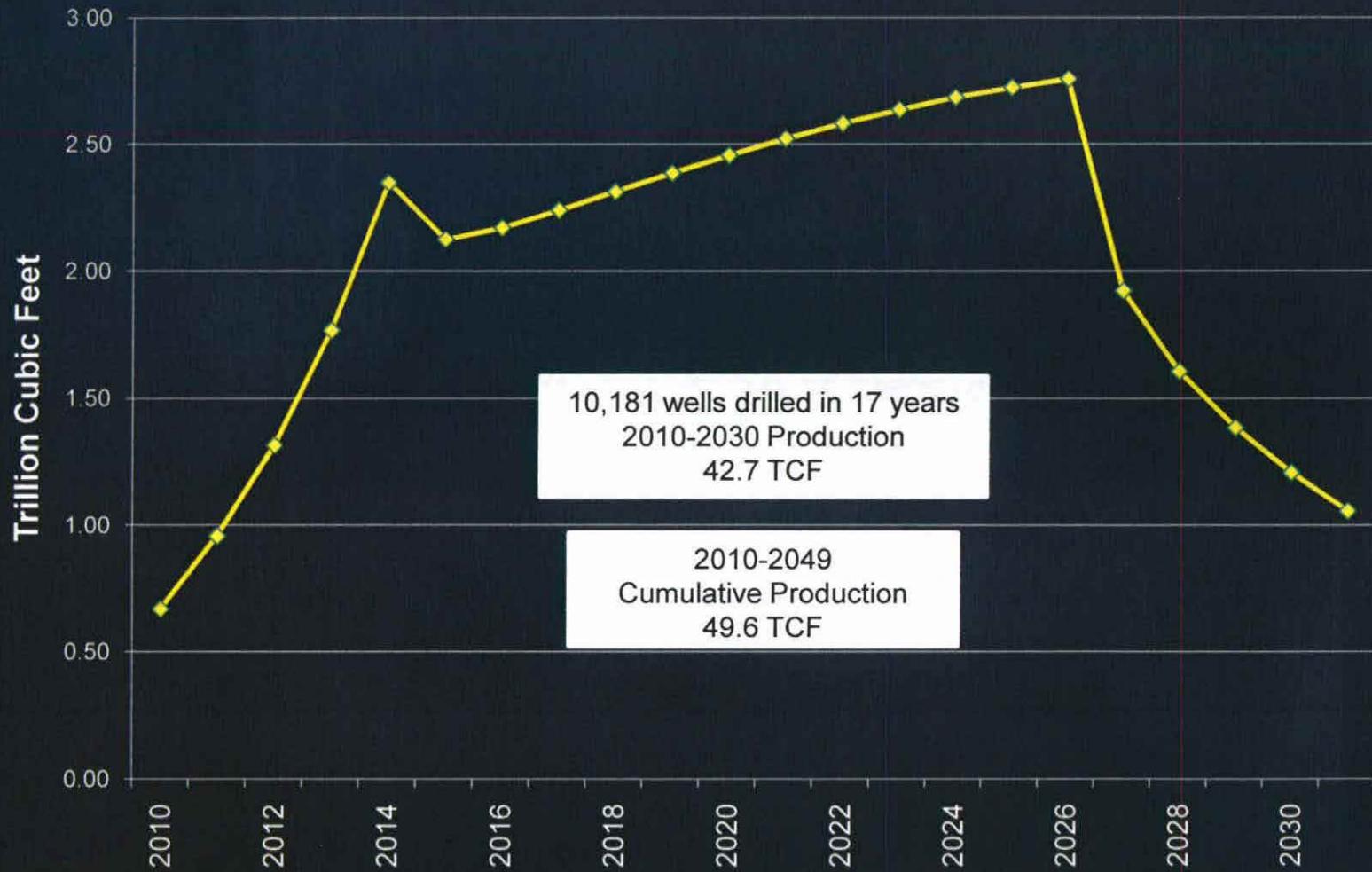
Louisiana Typical Haynesville Shale and Typical Non-Haynesville Shale Gas Well Decline Curve



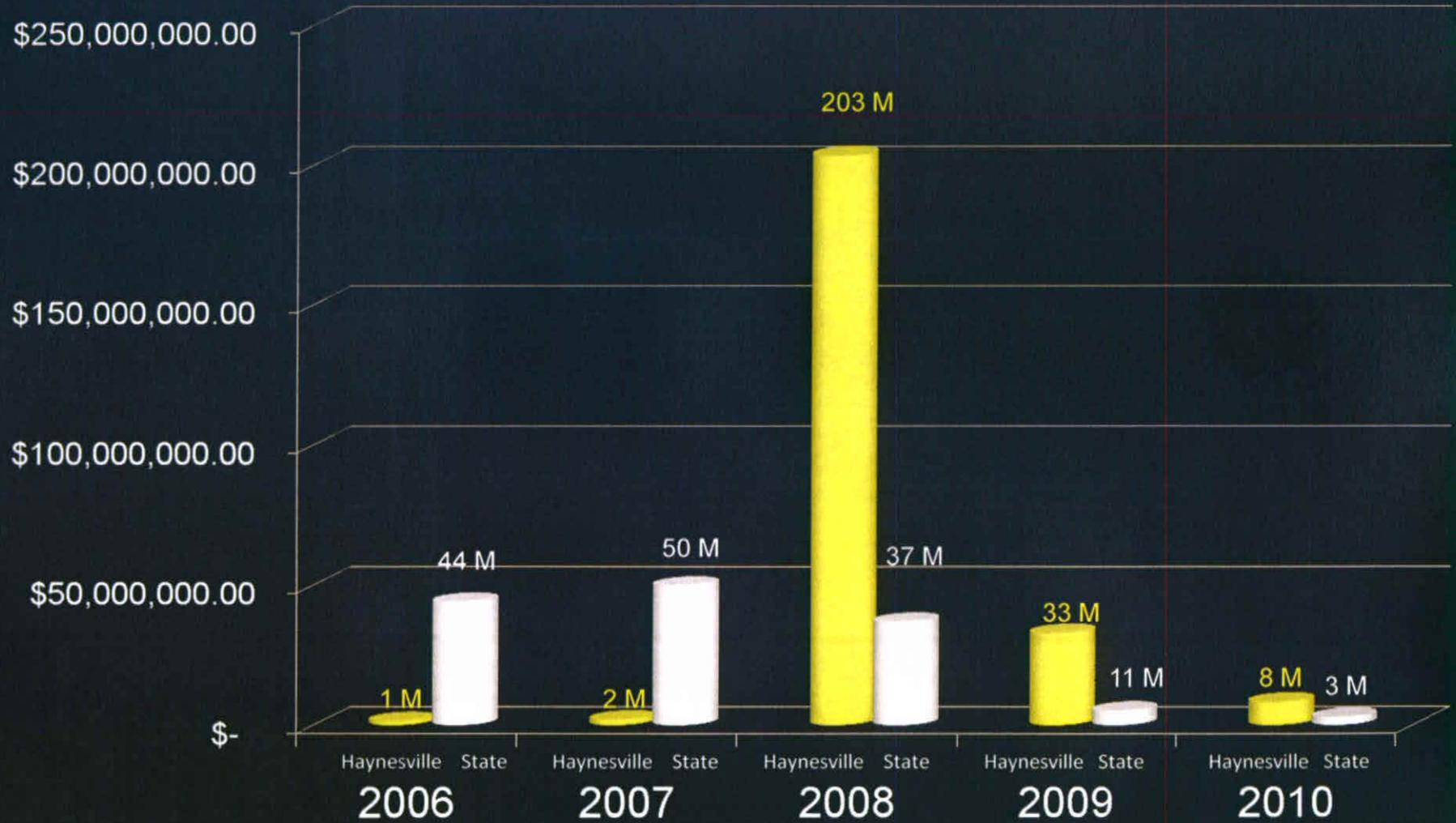
Source: Industry standards



Haynesville Shale Projected Annual Natural Gas Production

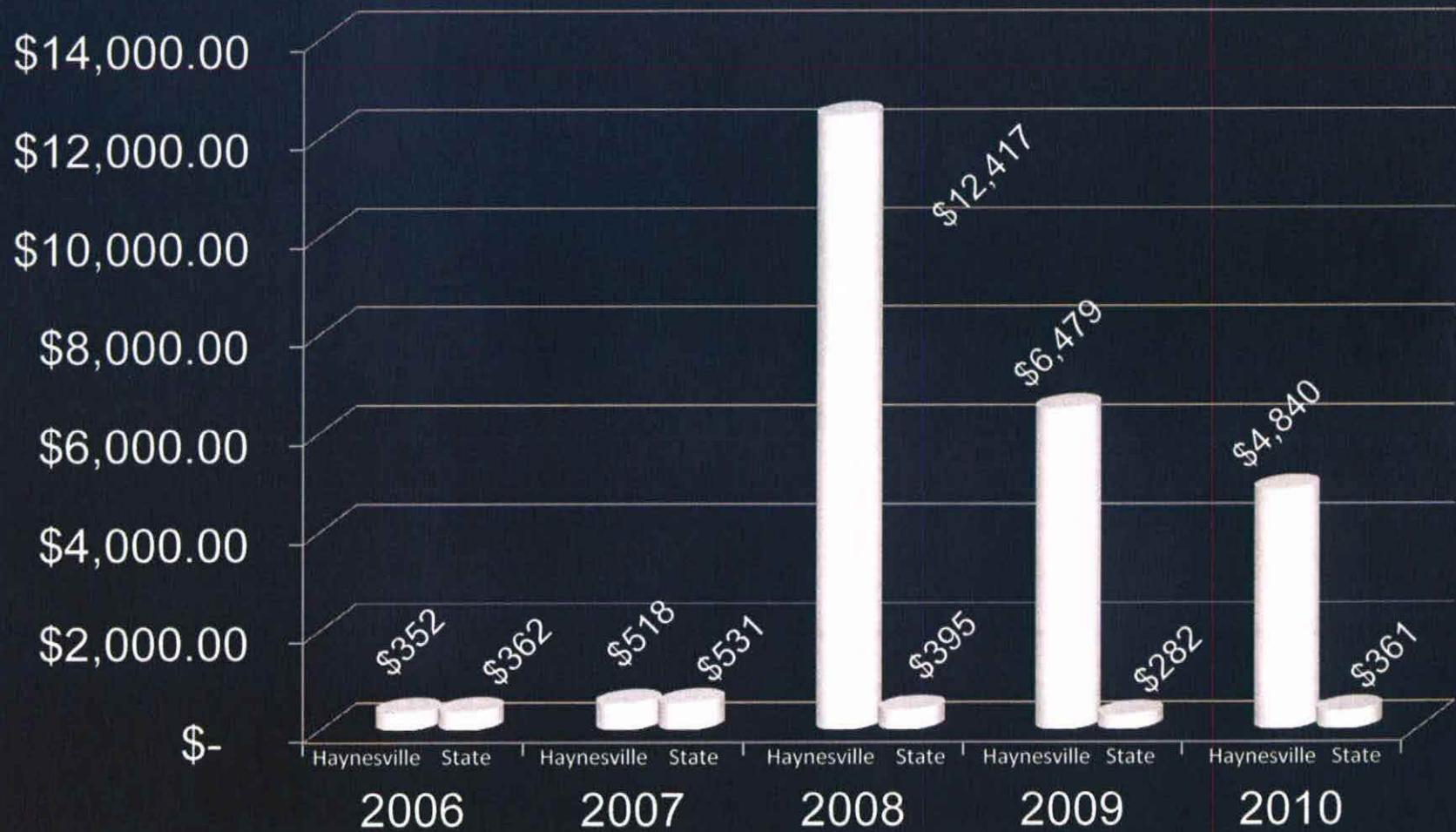


Haynesville Shale vs. Other State Acreage Lease Bonus Amount – 2006 Thru 2010



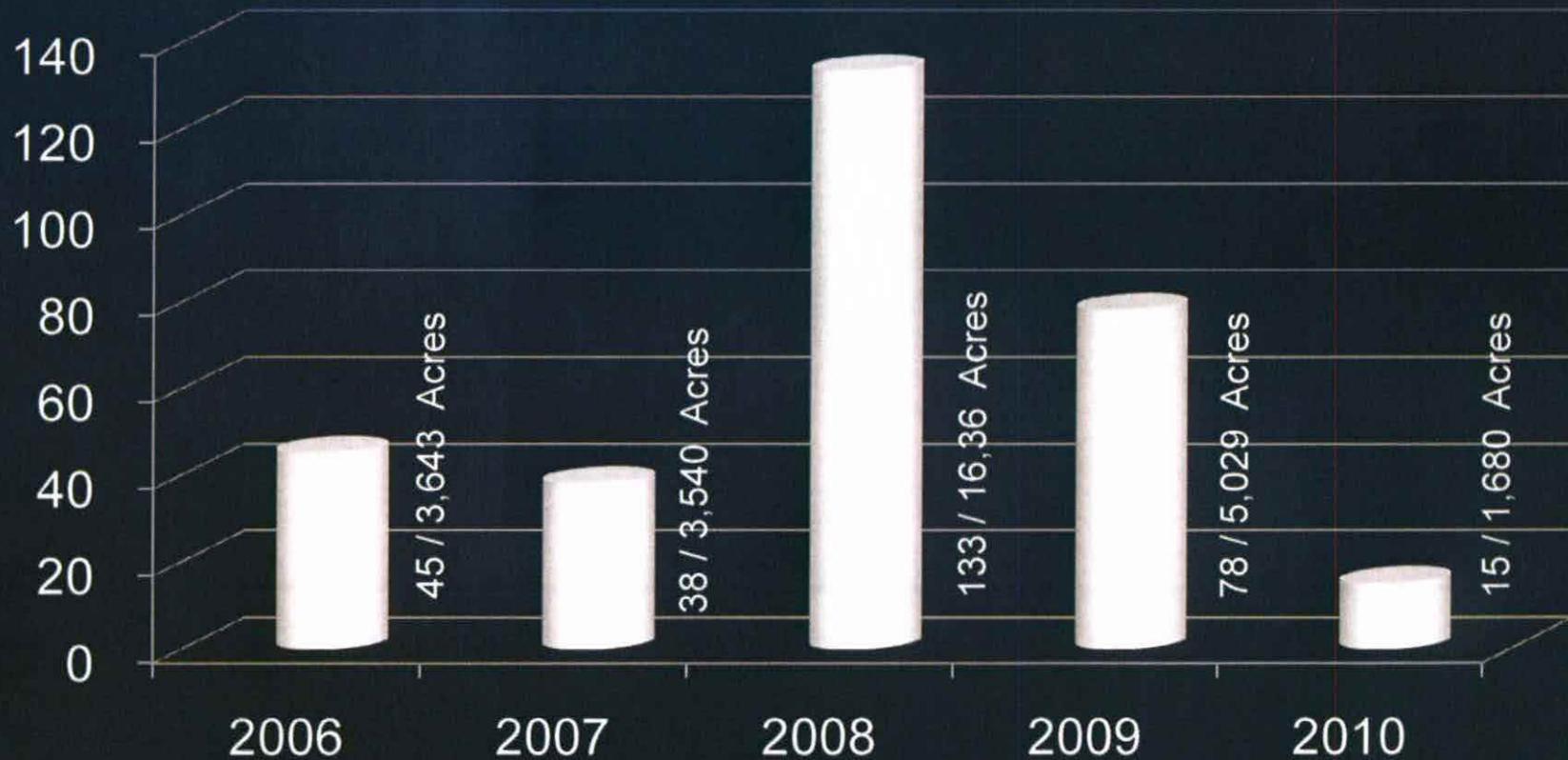
Dollar amounts rounded to nearest million

Haynesville Shale vs. State Acres Average Price Per Acre – 2006 Thru 2010



Haynesville Shale

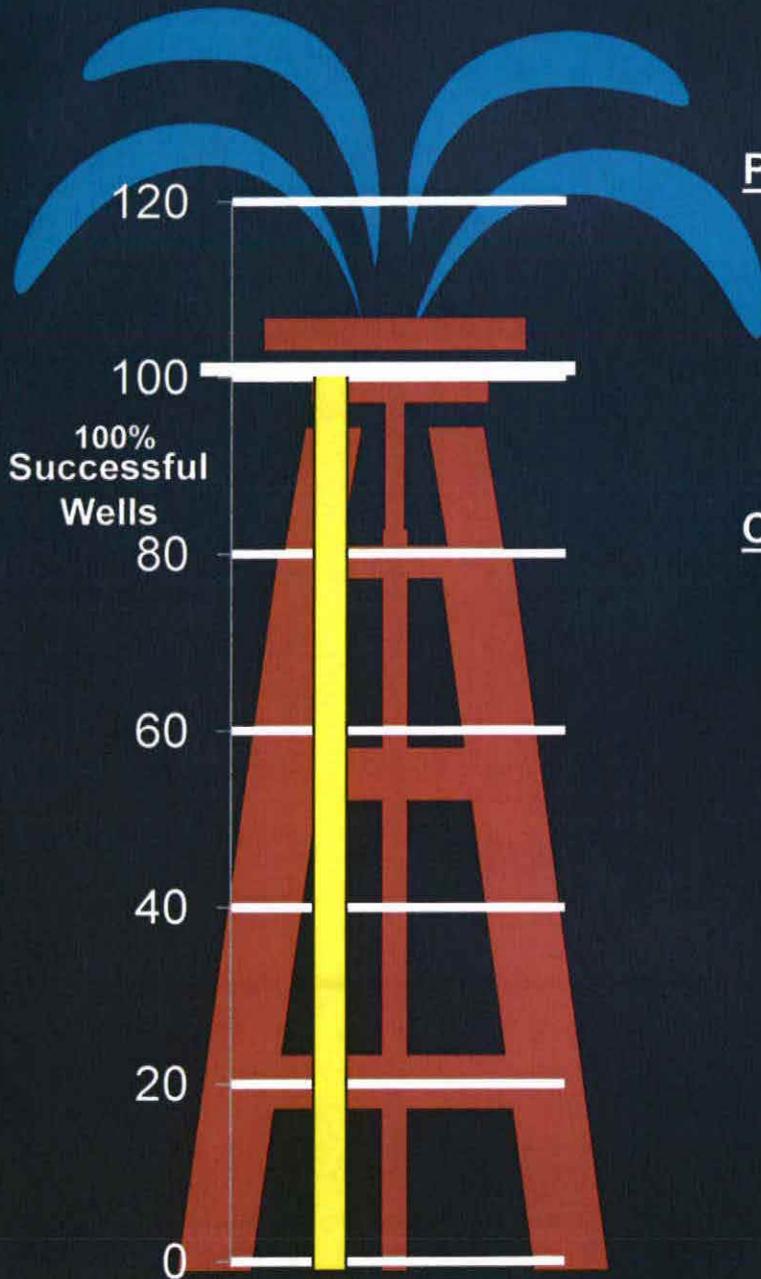
Number of State Leases/Acreage Awarded Calendar Years 2006 Thru 2010 (YTD)



State Leases Awarded Per Calendar Year 2006 Thru 2010 (YTD)



HAYNESVILLE SHALE



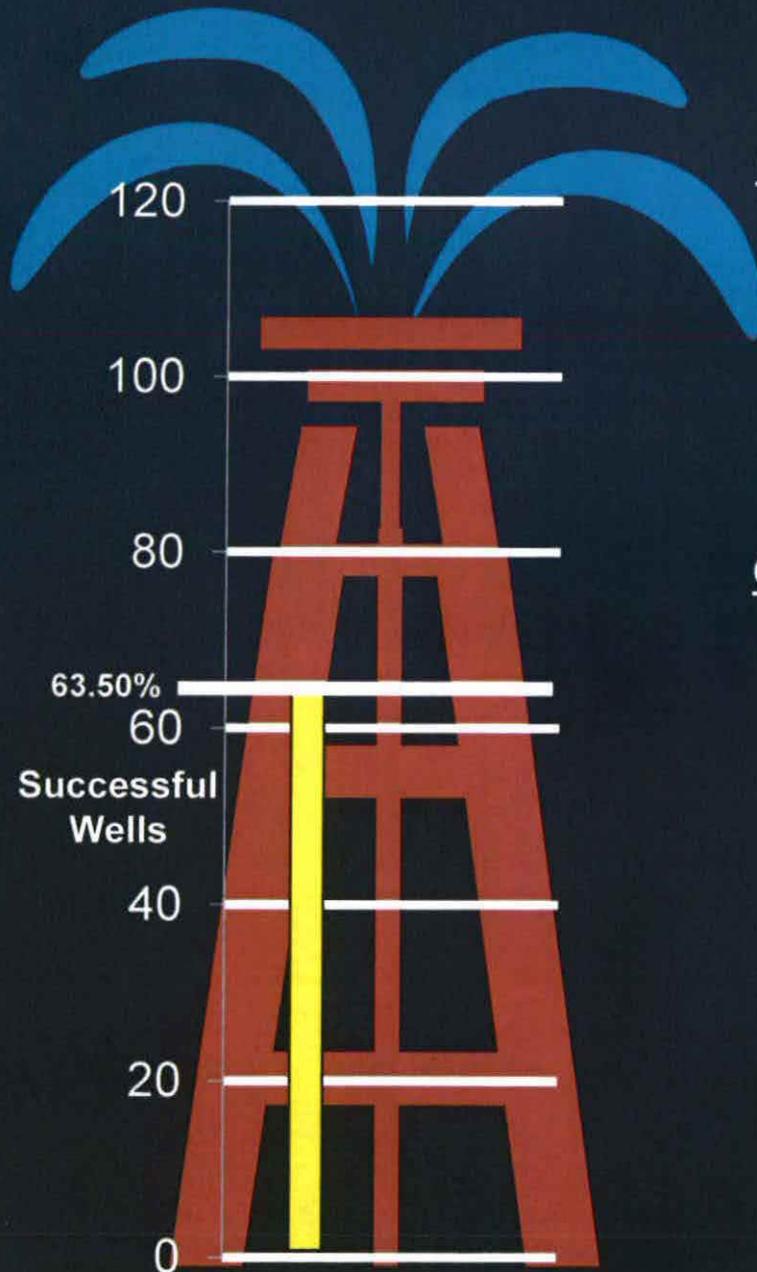
PROS:

- High initial production – recovery of capital investment within first year or two.
- Large reserves – long well productive life.
- Wells primarily on dry land – easier access to drill sight.

CONS:

- Very high per acre cost of lease – large capital outlay per well sight.
- Requires large volume of water to produce – need for large water source.
- Disposal of fracturing water and drilling fluids – trucking costs and disposal wells.
- Relatively incomplete gathering infrastructure and sales lines – what to do with gas produced.
- Litigation involving lease title increasing – additional cost and risk of losing lease.

COASTAL LOUISIANA



PROS:

- Lower per acre price for lease – less initial capital outlay.
- Better developed infrastructure – easier to get product to market.
- If prospect is oil, price more consistently higher – better return on product sale.

CONS:

- Prospects usually much smaller – longer time to payout.
- Adverse weather more likely to affect drilling – delays, damage, and cost overruns possible.
- If prospect is deep gas, then drilling costs very high – much longer to payout, new technology necessary.
- More varied permits may be required – additional delays, costs, and mitigation work possible.



WHAT CAN THE STATE DO?

1. To encourage more oil and gas exploration and development in South, or coastal, Louisiana?
2. To make enhanced oil and gas recovery utilizing secondary and tertiary methods in already developed areas attractive to companies?

THE FOLLOWING BID OPENING MEETING REPORT,
COMMITTEE REPORTS AND RESOLUTIONS
WERE MADE A PART OF THE MARCH 10, 2010 MINUTES
BY REFERENCE

A public meeting for the purpose of opening sealed bids was held on Wednesday, March 10, 2010, beginning at 8:30 a.m. in the La Belle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Recorded as present were:

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

Mr. Victor Vaughn, at the request of Acting Secretary Louis Buatt, presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of tracts which had been published for lease by the Board at today's sale. Mr. Vaughn read the letter as follows:

March 10, 2010

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

Gentlemen:

Certified proofs of publication have been received in the Office of Mineral Resources on behalf of the State Mineral and Energy Board for the State of Louisiana from the "Advocate," official journal for the State of Louisiana, and from the respective parish journals as evidence that Tract Nos. 41331 through 41353 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)

Louis Buatt
Acting Secretary

For the record, there were no letters of protest received for today's Lease Sale.

For the record, 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 41331
No Bids	
	Tract 41332
No Bids	
	Tract 41333
No Bids	
	Tract 41334
No Bids	
	Tract 41335
No Bids	
	Tract 41336
No Bids	
	Tract 41337
No Bids	
	Tract 41338
No Bids	

March 10, 2010

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Tract 41339
(Portion - 906.985 acres)

Bidder	:	Coastal Land Services, Inc.
Primary Term	:	Five (5) years
Cash Payment	:	\$1,832,109.70
Annual Rental	:	\$916,054.85
Royalties	:	22-1/4% on oil and gas
	:	22-1/4% on other minerals
Additional Consideration	:	None

Tract 41339
(Portion - 448.542 acres)

Bidder	:	Audubon Oil and Gas Corporation
Primary Term	:	Five (5) years
Cash Payment	:	\$80,230.71
Annual Rental	:	\$40,115.36
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 41340
(Portion - 504.415 acres)

Bidder	:	Coastal Land Services, Inc.
Primary Term	:	Five (5) years
Cash Payment	:	\$255,007.00
Annual Rental	:	\$127,503.50
Royalties	:	22-1/4% on oil and gas
	:	22-1/4% on other minerals
Additional Consideration	:	None

INLAND TRACTS

Tract 41341

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$614,148.00
Annual Rental	:	\$307,074.00
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

March 10, 2010

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Tract 41342

Bidder	:	Matador Resources Company
Primary Term	:	Three (3) years
Cash Payment	:	\$303,080.96
Annual Rental	:	\$151,540.48
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41342

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$158,396.16
Annual Rental	:	\$79,198.08
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41342

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$30,784.00
Annual Rental	:	\$15,392.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41343

Bidder	:	Patrick L. Donohue Petroleum Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$4,644.00
Annual Rental	:	\$2,322.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41344

Bidder	:	Patrick L. Donohue Petroleum Properties, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$7,224.00
Annual Rental	:	\$3,612.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41345
(Portion - 26.0 acres)

Bidder	:	Crescent Resources, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$7,150.00
Annual Rental	:	\$3,575.00
Royalties	:	24% on oil and gas
	:	24% on other minerals
Additional Consideration	:	None

Tract 41346

Bidder	:	Crescent Resources, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$2,025.00
Annual Rental	:	\$1,012.50
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41347

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$27,398.50
Annual Rental	:	\$13,699.25
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41348

Bidder	:	Petrohood Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$48,919.75
Annual Rental	:	\$24,459.88
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 41349

Bidder	:	Petrohood Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$15,120.00
Annual Rental	:	\$7,560.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

March 10, 2010

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Tract 41350

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$908,572.03
Annual Rental	:	\$454,286.02
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41350

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$586,654.05
Annual Rental	:	\$293,327.03
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41351

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$112,171.90
Annual Rental	:	\$56,085.95
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41351

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$82,488.00
Annual Rental	:	\$41,244.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41352

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$517,489.96
Annual Rental	:	\$258,744.98
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

March 10, 2010

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Tract 41352

Bidder	:	Matador Resources Company
Primary Term	:	Three (3) years
Cash Payment	:	\$494,190.39
Annual Rental	:	\$247,095.20
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41352

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$487,121.98
Annual Rental	:	\$243,560.99
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41353

Bidder	:	Classic Petroleum, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$107,873.25
Annual Rental	:	\$53,936.63
Royalties	:	25.00% on oil and gas
	:	25.00% on other minerals
Additional Consideration	:	None

Tract 41353

Bidder	:	Matador Resources Company
Primary Term	:	Three (3) years
Cash Payment	:	\$103,016.34
Annual Rental	:	\$51,508.17
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 41353

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$101,542.90
Annual Rental	:	\$50,771.45
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

March 10, 2010

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There being no further business, the meeting was concluded at 8:55 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Victor M. Vaughn". The signature is fluid and cursive, with a prominent initial "V" and a long, sweeping tail.

Victor M. Vaughn
Executive Officer
State Mineral and Energy Board



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

A meeting of the Lease Review Committee of the State Mineral and Energy Board convened on Wednesday, March 10, 2010 at 9:35 a.m. with the following members of the board in attendance: Mr. Thomas L. Arnold, Jr., Mr. Emile B. Cordaro, Mr. Robert "Michael" Morton and Mr. Darryl D. Smith.

Items on the Lease Review Committee Agenda submitted to the Board by Mr. Gregory J. Dugas, Geologist Supervisor, were as follows

I. Geological and Engineering Staff Review

According to SONRIS there are 1857 active State Leases covering approximately 890,479 acres. The Geological and Engineering Division has reviewed 293 leases covering nearly 118,000 acres.

II. Report on Force Majeure

Last Updated: 03/03/2010		Leases Off Production Due to Ida	
Company Name		Lease Numbers	
Chevron		1482, 1486	
Total Companies Reporting:		1	
Total Leases Affected by Force Majeure (Hurricane Related):		2	
		Leases Off Due to Non-storm Related Force Majeure Events	
Apache		16473, 16475, 18121	

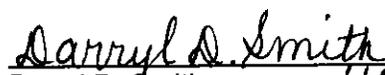
III. Report on actions exercised by the Staff under delegated authority

No Objection to 29-E Waiver for Harvest Oil & Gas, LLC for the SL 195QQ No. 198 ALT (Serial Number 213168) located in Grand Bay Field, Plaquemines Parish, affecting State Lease 195-A.

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

On motion of Mr. Arnold, seconded by Mr. Cordaro, the Committee moved to adjourn its March 10, 2010 meeting at 9:36 a.m.

Respectfully submitted,


Darryl D. Smith
Chairman, Lease Review Committee

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



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 1 New Orleans- East

Get Review Date March 10, 2010

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
00988		MAIN PASS BLOCK 69 , SOUTH PASS BLOCK 1 , SOUTH PASS BLOCK 24 OFFSHORE(8453 7/97	1928.37 10/03/2005	88.12	88.12	MAR. AR
01353		MAIN PASS BLOCK 69 , QUEEN BESS ISLAND	219613-MPB69 Q2 RA SU;SL 1353-061-D 08/17/1996	1000	1000	MAR. AR
01354		MAIN PASS BLOCK 69	182.84 11/23/1999	1253	1467.16	MAR. AR
01355		MAIN PASS BLOCK 69	216041-SL 1355-042 10/02/1993	746	746	MAR. AR
01357		MAIN PASS BLOCK 69	MPB69 BQ RA SU 01/01/1989	1294	1294	MAR. AR
01359		MAIN PASS BLOCK 69	MPB69 BQ RA SU 01/01/1989	270	400	MAR. AR
03508		MAIN PASS BLOCK 69	237742-SL 3508-036 07/12/2008	683	2921.08	MAR. AR 2/24/10 /DEVON POD BY 6-9-10
03851		MAIN PASS BLOCK 69	233221-SL 3851-011 07/17/2006	716.29	716.29	MAR. AR
04901		BALIZE BAYOU , SOUTHEAST PASS	132.707 07/11/2005	59.893	59.893	MAR. AR
05003		SOUTHEAST PASS	100.087 03/06/2006	76.442	76.442	MAR. AR
06706		MAIN PASS BLOCK 74	PUMA RB SUA;SL 6706 08/05/2003 1213-A-2 03-586	2206	2624.72	MAR. AR
08690		COTE BLANCHE ISLAND , MAIN PASS BLOCK 74	1340.46 06/02/1994	1159.52	1159.52	MAR. AR
12457		MAIN PASS BLOCK 74	972.3 05/10/1989	713.85	713.85	MAR. AR
13287		MAIN PASS BLOCK 74	O RA SUA; 06/27/2000 1213-B 99-381	196.2	196.2	MAR. AR
14441		MAIN PASS BLOCK 35	SL 14441	214.768	214.768	MAR. AR
14559		BRETON SOUND BLOCK 33	32.084 12/03/2001	81.552	81.552	MAR. AR 2/22/09 CK 3 MOS PER MIKE B;
14860		SOUTH PASS BLOCK 20 , SOUTH PASS BLOCK 31	934.11 08/28/2007	150.33	150.33	MAR. AR
14861		SOUTH PASS BLOCK 20 , SOUTH PASS BLOCK 31	172.67 08/28/2007	1033.04	1033.04	MAR. AR
15683		BRETON SOUND BLOCK 53	112.47 05/19/2004	279.23	279.23	MAR. AR
15764		SOUTH PASS BLOCK 31	899.7 07/24/2000	129.45	129.45	MAR. AR
16442		BRETON SOUND BLOCK 18	64.39 09/16/2002	142.93	142.93	MAR. AR
16736		BRETON SOUND BLOCK 53	593.5 04/13/2006	160.76	160.76	MAR. AR



Louisiana Department of Natural Resources (DNR)

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Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
16738		BRETON SOUND BLOCK 53	171.66 04/13/2006	23.77	23.77	MAR. AR
16850		MAIN PASS BLOCK 47	BA BB RA SUA;SL 16849 10/29/2002 1331-F 06-633	24.87	24.87	MAR. AR
16935		MAIN PASS BLOCK 26		107.84	107.84	MAR. 2/26/10 RS JMB: APP EXP, LAST PRD 8/09 < 11/09 CK IN 3 MOS PER MIKE B.
17236		COQUILLE BAY	RICHARD F PRICE JR ETAL	79.052	79.052	MAR. 2/3/10 RCD OFL PR OF 9.252, RTNG 79.052 AC EFF 9/12/06
18078		MAIN PASS BLOCK 26		148.65	148.65	MAR. AR
18479		MAIN PASS BLOCK 69		400.21	400.21	MAR. AR 3/3/10 RS JMB: HBP 233309, 305674 TO 12/09
18652		LAKE CAMPO	9.16 10/09/2008	62.84	62.84	MAR. AR 2/22/2010 CK IN 3 MOS PER MIKE B
18935		BLACK BAY, WEST	81 05/29/2008	35	35	MAR. AR
19001		MAIN PASS BLOCK 49		160	413.06	MAR. 2/11/10 RCD REL: RS JMB: APP EXP 12/30/09 GAS LEASE, NO PROD 8 & 9/09 SN 234215 LUW 305815 END OF PT, ACTION? PT 5/10/09
19061		CHANDELEUR SOUND ADDITION BLOCK 23	129.022 11/05/2009	123.444	123.444	MAR. AR 2/19/10 JMB CKED W/ CCB: BACK ON PRD, JMB: 100% PRD;
19165				172.84	389	MAR. 2/15/10 DDPMT APPROVED TO 11/8/10 PT 11/8/09
19166				467	1111	MAR. 2/15/10 DDPMT APPROVED TO 11/8/10 PT 11/8/09
19247				9.074	373	MAR. 2/17/10 MTG: GJD REVISION: DD APPROVED TO 1/10/11. PT 1/10/10
19248				0	245	MAR. 1/27/10 RS JMB: APP EXP PT 1/10/10
19563		STUARDS BLUFF, EAST	TEX W RA SUA;DELACROIX CORP 01/06/2009 891-F 09-18	59.335	132.29	MAR. 2/19/10 PR REQD <DD/RNTL/DRLG? PT 1/9/11 237067=615442
19905				0	90.65	MAR. 2/11/10 KAM: 2010 RNTL PAID, CONT ON AR PT 12/10/11 10/8/11
19947				0	59	MAR. PT 12/10/11 11/12/11
19948				0	71.88	MAR. PT 12/10/11 11/12/11



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

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District Code 1W New Orleans- West
Get Review Date March 10, 2010

Table with columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 20 rows of lease data including Delta Farms, South Pass Block 24, BAY MARCHAND, and VALENTINE.



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 1W New Orleans- West
Get Review Date March 10, 2010

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
		MARCHAND BLOCK 2 ONSHORE	184-BBB-1 01-557			
03258		LAKE RACCOURCI	248.125 02/17/2004	51.89	281.125	MAR. AR
03599		LAKE RACCOURCI	795.2 01/14/1999	476	754.8	MAR. AR
10439		LAFITTE	1.41 10/19/2000	.15	.15	MAR. AR
12150		ST ROSE, NORTH	10600 RA SUA;INTL-MATEX TERM 05/01/1995	.544	.544	MAR. AR 2/4/10 ROY. & PROD LAGGING- MAY NEED RT SHEET
14371		DORCYVILLE	19.17 05/20/1999	114.004	114.004	MAR. AR 2/4/10 SN 220454 LUW 0486 PROD THRU 11/9
14374		SATURDAY ISLAND	232784-SL 14374-003 04/24/2006	91.663	91.663	MAR. AR
14554		LAFITTE	.813 10/18/2000	.707	.707	MAR. AR
14674		PROFIT ISLAND	19100 TUSC RA SUO;D OLIVER 03/01/1995	168.545	168.545	MAR. AR
14703		LAKE RACCOURCI	781.414 01/13/1999	71.036	71.036	MAR. AR
15092		LAFITTE	.66 03/13/2001	.61	.61	MAR. AR
15858		SATURDAY ISLAND	222.808 08/08/2000	20.192	20.192	MAR. AR
16006		SATURDAY ISLAND	331.238 05/04/2000	2.762	2.762	MAR. AR
16007		SATURDAY ISLAND	150.943 05/04/2000	1.057	1.057	MAR. AR
16563		LAKE RACCOURCI	95.29 11/27/2000	37.71	37.71	MAR. AR
16564		LAKE RACCOURCI	27.81 11/27/2000	78.19	78.19	MAR. AR
16681		LAFITTE	47.66 03/14/2005	8.34	8.34	MAR. AR
16758		ROUSSEAU	32.514 02/11/2008	18.486	18.486	MAR. AR
16870		SOUTH PASS BLOCK 42	SL 16869	6.7	6.7	MAR. AR
17265		STELLA	237114-L CRIS I RA SUA;SL17265-003-ALT 02/09/2008	110	668	MAR. 1/29/10 DCOOPER WILL FOLLOW-UP (10/24/07 RCD UNOFL PR OF 475.339, RTNG 192.661)
17378		BAY BATISTE	240454-VUA;SL 17378-004 12/20/2009	438.94	438.94	MAR. AR
17380		WEST DELTA BLOCK 54	722.33 04/18/2005	140.67	140.67	MAR. AR



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 1W New Orleans- West

Get Review Date March 10, 2010

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
17432		QUEEN BESS ISLAND	LBLD RB SUA;SL 17617	195.49	195.49	MAR. AR
			747-D-4			
17717		STELLA	8750 RA SUA;MEYER ETAL 02/17/2004 27-J 04-127	.12	.12	MAR. AR
17718		STELLA	8750 RA SUA;MEYER ETAL 02/17/2004 27-J 04-127	.41	.41	MAR. AR
18076		DELTA FARMS		169.99	169.99	MAR. AR
18675		QUEEN BESS ISLAND		320	686.12	MAR. AR
18909		LAKE WASHINGTON	5000 RA SUA;COCKRELL- MORAN 02/03/2009 149-NNNN 09-135	3.982	1483	MAR. 2/25/10 DD DISAPPROVED, NO UNIT OPS DD 2/15/10 PT 2/15/09 SWIFT LK WSHGTN EGA20040201
19199				0	22.91	MAR. 1/11/10 RS STEVE: NOT EXP, VUA DRLG 240338 PT 12/13/09
19200				0	18.82	MAR. 1/11/10 RS STEVE: VUA DRLG 240338 PT 12/13/09
19202				0	78.07	MAR. 1/11/10 RS STEVE: VUA DRLG 240338 PT 12/13/09
19203				0	43.33	MAR. 1/11/10 RS STEVE: VUA DRLG 240338 PT 12/13/09
19204				0	65.38	MAR. 1/11/10 RS STEVE: VUA DRLG 240338 PT 12/13/09
19205				0	172.35	MAR. 1/11/10 RS STEVE: NOT EXP, VUA DRLG 240338 PT 12/13/09
19206				0	97.78	MAR. 1/11/10 RS STEVE: NOT EXP VUA DRLG 240338 PT 12/13/09
19207				0	3.39	MAR. 1/11/10 RS STEVE: NOT EXP, VUA DRLG 240338 PT 12/13/09
19208		BAYOU PEROT	VUA;SL 18748 10/10/2007	7	7	MAR. SUGGEST AR, IF PRDG PT 12/13/09
19212				0	286.969	MAR. 1/20/10 RQD REL PT 12/13/09
19232				0	1538.87	MAR. 1/26/10 RS STEVE: LEASE HB DRLG VUA 240338 PT 12/13/09
19384		MANILA VILLAGE, SOUTHEAST	29 RA SUA;SL 19384 08/04/2009 1343-B	122.49	128	MAR. 2/18/10 GJD: NEW TRNSMTL 615766 237025 FOR 29 RA SUA;SL 19384, W/ 122.49 AC PT 5/9/10
19546				0	70	MAR. PT 12/12/10



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 1W New Orleans- West
Get Review Date March 10, 2010

Table with columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Rows include lease numbers 19583, 19863, 19864, 19896, 19900, 19906, 19908, 19909, 19917, 19926, 19940, 19949, 19950, 19951, 19952, 19953, 19959, 19960, 19961, 19963, 19964.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 2 Lafayette
Get Review Date March 10, 2010

Table with columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains multiple rows of lease data including BAY ST ELAINE, LIGHTHOUSE POINT, COTE BLANCHE BAY, and WEEKS ISLAND.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 2 Lafayette
Get Review Date March 10, 2010

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 20 rows of lease data including fields like PERRY POINT, MURPHY LAKE, MYETTE POINT, etc.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 2 Lafayette
Get Review Date March 10, 2010

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 20 rows of lease data including fields like BELLE ISLE, SOUTHWEST, EUGENE ISLAND BLOCK 10, and WYANDOTTE.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 2 Lafayette
Get Review Date March 10, 2010

Table with columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 20 rows of lease data with various acreage values and review dates.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 2 Lafayette

Get Review Date March 10, 2010

Lease Num	DA	Field	Latest lease Activity	Productive Acreage	Present Acreage	Flagged for Review In
19936				0	14	MAR. 2/15/10: SSB RNTL PD 2009 TO 2010 PT 12/10/11 11/12/11
19937				0	248	MAR. 2/15/10: SSB RNTL PD 2009 TO 2010 PT 12/10/11 11/12/11
19943				0	7	MAR. 2/15/10: SSB RNTL PD 2009 TO 2010 PT 12/10/11 11/12/11
19944				0	549	MAR. 2/15/10: SSB RNTL PD 2009 TO 2010 PT 12/10/11 11/12/11
19945				0	1	MAR. 2/15/10: SSB RNTL PD 2009 TO 2010 PT 12/10/11 11/12/11
19957				0	240.78	MAR. 2/15/10: SSB RNTL PD 2009 TO 2010 PT 12/10/11 11/12/11 ATCHAFALAYA DELTA WMA
20053		MURPHY LAKE	MARG V RA SUB; STOCKSTILL 07/12/1998 1056-A-3 88-368	14	14	MAR. 2/15/10 JPT: 100% PRD IN THE MARG V RA SUB. AUG. PT 5/13/12



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 3 Lake Charles- North
Get Review Date March 10, 2010

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



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 3 Lake Charles- North
Get Review Date March 10, 2010

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 20 rows of lease data including fields like MASTERS CREEK, SWAN LAKE, CONVERSE, ELM GROVE, PITKIN, RED RIVER-BULL BAYOU, CASPIANA, SHREVEPORT, and DIXIE.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 3 Lake Charles- North
Get Review Date March 10, 2010

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 18 rows of lease data.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 3 Lake Charles- North
Get Review Date March 10, 2010

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Rows 19837-19860.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 3 Lake Charles- North
Get Review Date March 10, 2010

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 8 rows of lease data.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 3S Lake Charles- South
Get Review Date March 10, 2010

Table with 7 columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Contains 25 rows of lease data including fields like DEEP LAKE, RACCOURCI ISLAND, LOCKPORT, etc.



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: March 9, 2010 6:56 AM

District Code 3S Lake Charles- South
Get Review Date March 10, 2010

Table with columns: Lease Num, DA, Field, Latest lease Activity, Productive Acreage, Present Acreage, Flagged for Review In. Includes rows for leases 19548 through 19966 and a summary row for 293 leases.

BOBBY JINDAL
GOVERNOR



SCOTT A. ANGELLE
SECRETARY

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

NOMINATION AND TRACT COMMITTEE REPORT

The Nomination and Tract Committee, upon motion of *Mr. Arnold* seconded by *Mr. Smith* convened at **9:35 a.m.** on Wednesday, *March 10, 2010* with the following members of the Board in attendance:

Mr. Thomas L. Arnold, Jr. Mr. Emile B. Cordaro Mr. Robert M. Morton
Mr. Darryl D. Smith

The Committee heard the report of Mr. Emile Fontenot, relative to nominations received for the May 12, 2010 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of *Mr. Arnold* duly seconded by *Mr. Smith*, the Committee voted unanimously to recommend to the Board the granting of authority to the staff to advertise all such tracts as have been reviewed by the State Land Office and the staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report presented by Mr. Fontenot.

The Committee, on motion of *Mr. Arnold*, seconded by *Mr. Smith*, voted to adjourn at **9:37a.m.**

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Emile B. Cordaro", with a flourish extending to the right.

Emile B. Cordaro
Chairman
Nomination and Tract Committee

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

NOMINATION AND TRACT COMMITTEE

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

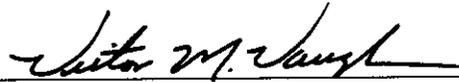
WHEREAS, Mr. Emile Fontenot presented to the State Mineral and Energy Board 65 tracts that had been nominated for the May 12, 2010 Mineral Lease Sale, and that same are to be advertised pending staff review; now therefore

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 10th day of March 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

BOBBY JINDAL
GOVERNOR



SCOTT A. ANGELLE
SECRETARY

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

AUDIT COMMITTEE REPORT

The regular meeting of the Audit Committee of the State Mineral and Energy Board was held on Wednesday, March 10, 2010, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Thomas L. Arnold, Jr.
Darryl D. Smith

Emile B. Cordaro

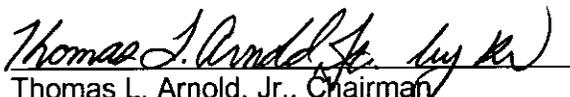
Robert "Michael" Morton

Mr. Arnold convened the Committee at 9:47 a.m.

The first matter considered by the Committee was the election of the March 2010 Texaco 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.

Upon recommendation of the staff and upon motion of Mr. Smith, seconded by Mr. Cordaro, the Committee voted unanimously to accept the staff report to the committee that the election for March 2010 gas royalty is to be paid on a processed basis.

On Motion of Mr. Morton, seconded by Mr. Smith, the Board voted unanimously to adjourn the Audit Committee at 9:47 a.m.


Thomas L. Arnold, Jr., Chairman
Audit Committee

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



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

LEGAL AND TITLE CONTROVERSY COMMITTEE REPORT

The regular meeting of the Legal and Title Controversy Committee of the State Mineral and Energy Board was held on March 10, 2010, following the Audit Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building located at 617 North Third Street, Baton Rouge, Louisiana. Committee Members present were:

Mr. Thomas W. Sanders
Mr. Emile B. Cordaro
Mr. Thomas L. Arnold, Jr.
Ms. Helen Godfrey Smith
Mr. Darryl David Smith

Mr. Bay Elliott Ingram
Mr. John C. "Juba" Diez
Mr. Robert "Michael" Morton
Mr. W. Paul Segura, Jr.

The Legal and Title Controversy Committee was called to order by Mr. Sanders at 9:38 a.m.

The first matter considered by the Committee was a request by Summit Energy Co, L.L.C., DEI-Marsh Island, L.L.C., Vermilion Bay Exploration, Inc., Sundown Energy, LP, RPK Investments, L.L.C., Marsh Island Energy, L.L.C., Marsh Island, LP, All Aboard Development Corporation, RVCKaiser, L.L.C., West Indies Energy, LLC, GEBII Marsh Island 3D Program, LLC, Orion Resources, Inc., Hal McKinney, JEK Marsh, L.L.C., NWP Partners, L.L.C., Ryan Oil & Gas Partners, L.L.C., Paul & Betty Jacobs, Paul & Cathy Schroeder Family Trust, Bridgepoint Exploration, LLC, Panther Bayou Energy, LLC, Panther Bayou Marsh Island Interest, II, LLC, William Thurwachter, Garuda Holdings, LLC, and DRV Energy, for the waiver of all or a portion of the liquidated damage assessments levied on the late releases of the following state leases:

- (a) State Lease No. 19263 in the amount of \$11,900.00, Iberia Parish, Louisiana;
- (b) State Lease No. 19264 in the amount of \$11,900.00, Iberia Parish, Louisiana;
- (c) State Lease No. 19267 in the amount of \$11,900.00, Iberia Parish, Louisiana;
- (d) State Lease No. 19286 in the amount of \$11,900.00, Iberia Parish, Louisiana; and

Legal and Title Controversy Committee Report

March 10, 2010

Page - 2 -

- (e) State Lease No. 19297 in the amount of \$11,900.00, Iberia Parish, Louisiana.

Upon recommendation of the staff and upon motion of Mr. Smith, seconded by Mr. Cordaro, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant a complete waiver to Summit Energy Co, L.L.C., DEI-Marsh Island, L.L.C., Vermilion Bay Exploration, Inc., Sundown Energy, LP, RPK Investments, L.L.C., Marsh Island Energy, L.L.C., Marsh Island, LP, All Aboard Development Corporation, RVCKaiser, L.L.C., West Indies Energy, LLC, GEBII Marsh Island 3D Program, LLC, Orion Resources, Inc., Hal McKinney, JEK Marsh, L.L.C., NWP Partners, L.L.C., Ryan Oil & Gas Partners, L.L.C., Paul & Betty Jacobs, Paul & Cathy Schroeder Family Trust, Bridgepoint Exploration, LLC, Panther Bayou Energy, LLC, Panther Bayou Marsh Island Interest, II, LLC, William Thurwachter, Garuda Holdings, LLC, and DRV Energy of the liquidated damage assessments levied on the late releases of State Lease Nos. 19263, 19264, 19267, 19286, and 19297.

The second matter considered by the Committee was a request by Staff to negotiate an Operating Agreement with Mack Energy Co., affecting former State Lease No. 18507, Mallard Bay Field, covering 31.599 acres, more or less, described as all the State owned waterbottoms situated in the 8400 RB SUA Unit established by Office of Conservation Order No. 959-A-1, effective October 22, 2008, said unit consisting of 43.544 acres, more or less, situated in Section 16, T13S-R3W, Cameron Parish, and that the acreage in question be deemed unavailable for leasing while negotiations are ongoing for a period not to exceed the date of the third Mineral and Energy Board Meeting after the Board has authorized negotiations.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Smith, the Committee voted unanimously to recommend that the Louisiana State Mineral and Energy Board grant Staff the authority to negotiate an Operating Agreement with Mack Energy Co., affecting former State Lease No. 18507, Mallard Bay Field, covering 31.599 acres, more or less, and that the acreage in question be deemed unavailable for leasing while negotiations are ongoing for a period not to exceed the date of the third Mineral and Energy Board Meeting after the Board has authorized negotiations.

The third matter considered by the Committee was a request by Petrohawk Properties, LP regarding State Lease No. 20030 and the HA RA SUE Unit, Hamel Family No. 1 Well, bearing Serial Number 239502, to qualify the well in the unitized portion of the lease as capable of producing gas in commercial quantities in the absence of a well test for the purpose of making a shut-in payment to maintain the lease further.

Upon recommendation of the staff and upon motion of Ms. Smith, seconded by Mr. Arnold, the Committee voted unanimously to recommend that the State Mineral and Energy Board grant the request of Petrohawk Properties, LP regarding State Lease No. 20030 and the HA RA SUE Unit, Hamel Family No. 1 Well, bearing Serial Number 239502, to qualify the well in the unitized portion of the lease as capable of producing gas in

commercial quantities in the absence of a well test for the purpose of making a shut-in payment to maintain the lease further.

Upon motion of Mr. Arnold, seconded by Mr. Diez, the Committee went into Executive Session at 10:00 a.m.

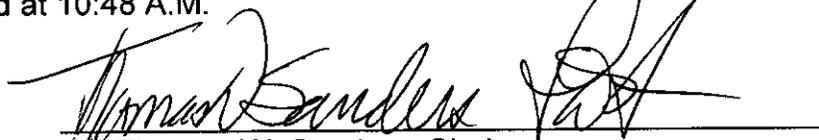
Upon motion of Mr. Arnold, seconded by Ms. Smith, the Legal and Title Controversy Committee returned to open session at 10:35 a.m.

The fourth matter considered by the Committee was a discussion in executive session of the litigation entitled: **Devon Energy Production Company, L.P. vs. Gail Norton, Secretary, Department of the Interior, et al, vs. State of Louisiana**, Civil Action No. 04-2093, United States District Court, Western District of Louisiana.

This matter was merely a discussion and required no action.

Upon motion of Mr. Arnold, seconded by Ms. Smith, the Legal and Title Controversy Committee further discussed Item No. 3 of the Legal and Title Controversy Committee Agenda.

On motion of Mr. Arnold, seconded by Ms. Smith, the Legal and Title Controversy Committee meeting adjourned at 10:48 A.M.



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

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

WHEREAS, a request was made by a request by Summit Energy Co, L.L.C., DEI-Marsh Island, L.L.C., Vermilion Bay Exploration, Inc., Sundown Energy, LP, RPK Investments, L.L.C., Marsh Island Energy, L.L.C., Marsh Island, LP, All Aboard Development Corporation, RVCKaiser, L.L.C., West Indies Energy, LLC, GEBII Marsh Island 3D Program, LLC, Orion Resources, Inc., Hal McKinney, JEK Marsh, L.L.C., NWP Partners, L.L.C., Ryan Oil & Gas Partners, L.L.C., Paul & Betty Jacobs, Paul & Cathy Schroeder Family Trust, Bridgepoint Exploration, LLC, Panther Bayou Energy, LLC, Panther Bayou Marsh Island Interest, II, LLC, William Thurwachter, Garuda Holdings, LLC, and DRV Energy, for the waiver of all or a portion of the liquidated damage assessments levied on the late releases of the following state leases:

- (a) State Lease No. 19263 in the amount of \$11,900.00, Iberia Parish, Louisiana;
- (b) State Lease No. 19264 in the amount of \$11,900.00, Iberia Parish, Louisiana;
- (c) State Lease No. 19267 in the amount of \$11,900.00, Iberia Parish, Louisiana;
- (d) State Lease No. 19286 in the amount of \$11,900.00, Iberia Parish, Louisiana; and
- (e) State Lease No. 19297 in the amount of \$11,900.00, Iberia Parish, Louisiana.

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant a complete waiver to Summit Energy Co, L.L.C., DEI-Marsh Island, L.L.C., Vermilion Bay Exploration, Inc., Sundown Energy, LP, RPK Investments, L.L.C., Marsh Island Energy, L.L.C., Marsh Island, LP, All Aboard Development Corporation, RVCKaiser, L.L.C., West Indies Energy, LLC, GEBII Marsh Island 3D Program, LLC, Orion Resources, Inc., Hal McKinney, JEK Marsh, L.L.C., NWP Partners, L.L.C., Ryan Oil & Gas Partners, L.L.C., Paul & Betty Jacobs, Paul & Cathy Schroeder Family Trust, Bridgepoint Exploration, LLC, Panther Bayou Energy, LLC, Panther Bayou Marsh Island Interest, II, LLC, William Thurwachter, Garuda Holdings, LLC, and DRV Energy of the liquidated damage assessments levied on the late releases of State Lease Nos. 19263, 19264, 19267, 19286, and 19297.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

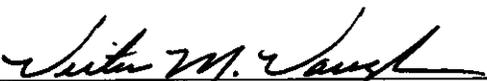
WHEREAS, a request was made by Staff to negotiate an Operating Agreement with Mack Energy Co., affecting former State Lease No. 18507, Mallard Bay Field, covering 31.599 acres, more or less, described as all the State owned waterbottoms situated in the 8400 RB SUA Unit established by Office of Conservation Order No. 959-A-1, effective October 22, 2008, said unit consisting of 43.544 acres, more or less, situated in Section 16, T13S-R3W, Cameron Parish, and that the acreage in question be deemed unavailable for leasing while negotiations are ongoing for a period not to exceed the date of the third Mineral and Energy Board Meeting after the Board has authorized negotiations;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the State Mineral and Energy Board grant Staff the authority to negotiate an Operating Agreement with Mack Energy Co., affecting former State Lease No. 18507, Mallard Bay Field, covering 31.599 acres, more or less, and that the acreage in question be deemed unavailable for leasing while negotiations are ongoing for a period not to exceed the date of the third Mineral and Energy Board Meeting after the Board has authorized negotiations.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

LEGAL AND TITLE CONTROVERSY COMMITTEE

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

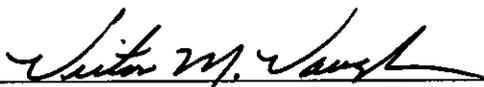
WHEREAS, a request was made by Petrohawk Properties, LP regarding State Lease No. 20030 and the HA RA SUE Unit, Hamel Family No. 1 Well, bearing Serial Number 239502, to qualify the well in the unitized portion of the lease as capable of producing gas in commercial quantities in the absence of a well test for the purpose of making a shut-in payment to maintain the lease further;

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

NOW, BE IT THEREFORE RESOLVED, that the Committee recommends that the Louisiana State Mineral and Energy Board grant the request of Petrohawk Properties, LP regarding State Lease No. 20030 and the HA RA SUE Unit, Hamel Family No. 1 Well, bearing Serial Number 239502, to qualify the well in the unitized portion of the lease as capable of producing gas in commercial quantities in the absence of a well test for the purpose of making a shut-in payment to maintain the lease further.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD



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

DOCKET REVIEW COMMITTEE REPORT

The Docket Review Committee convened at a.m. on Wednesday March 10, 2010. Board Members present were Mr. John C. "Juba" Diez, Mr. Thomas L. Arnold, Jr., Mr. Emile Cordaro, Mr. Thomas W. Sanders, Mr. Robert "Michael" Morton, Ms. Helen G. Smith, Mr. Bay E Ingram and Mr. Darryl D. Smith.

The Committee made the following recommendations:

Approve State Agency Lease A on page 1;

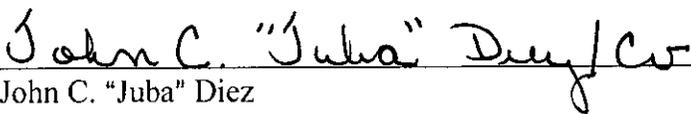
Approve all Assignments on pages 2 through 9 with the following exceptions: Nos. 14 and 15 on page 7 would be approved subject to the approval of the Governor of Louisiana.

Approve subject to the approval of the Governor of Louisiana the following item: Docket Item No. 10-07 on page 10.

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

There being no further business to come before the committee, upon motion of Mr. Ingram, and seconded by Mr. Arnold, the committee voted unanimously to adjourn the meeting at 10:04 a.m.

Respectfully submitted,



John C. "Juba" Diez
Chairman
Docket Review Committee

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the March 10, 2010 Meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Plaquemines Parish Government, dated December 10, 2009, awarded to Belle Chase Oil & Gas, LLC, covering lands located in Section 17, Township 14 South, Range 24 East, Plaquemines Parish, Louisiana, excluding the beds and bottoms of all navigable water-bottoms; **INSOFAR AND ONLY INSOFAR AS** those lands include depths from the surface of the earth down to a depth of 8,000', **AND FURTHER, INSOFAR AND ONLY INSOFAR AS** said lands lie within the boundaries of that certain Sand Unit 110, including but not limited to those portions of Langridge Drive, Alexa Lane and Morgan Lane, lying within said Sand Unit 110, containing approximately 0.7 acres, more or less, with further contractual obligations being more enumerated in the instrument.

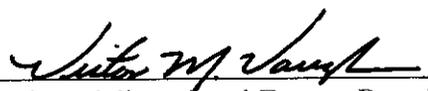
The State of Louisiana, through the State Mineral and Energy Board, asserts and claims title to the beds and bottoms of any navigable waterbed that may be located within the boundaries of the lands leased, and this approval shall not cover or extend to, or be construed as affecting the State's title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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from Ridgewood Energy Corporation, of all of Assignor's right, title and interest to the following in the proportions set out below.

Ridgewood Energy P Fund, LLC	6.25%
Ridgewood Energy W Fund, LLC	6.25%
Ridgewood Energy Y Fund, LLC	6.25%
Ridgewood Energy A-1 Fund, LLC	25.00%
Ridgewood Energy Gulf of Mexico Oil and Gas Fund, L.P.	6.25%

in and to State Lease No 20035, St. Mary Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

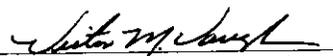
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from Ridgewood Energy Corporation, of all of Assignor's right, title and interest to the following in the proportions set out below:

Ridgewood Energy P Fund, LLC	6.25%
Ridgewood Energy W Fund, LLC	6.25%
Ridgewood Energy Y Fund, LLC	6.25%
Ridgewood Energy A-1 Fund, LLC	25.00%
Ridgewood Energy Gulf of Mexico Oil and Gas Fund, L P	6.25%

in and to State Lease No. 19321, St. Mary Parish, Louisiana, with further particulars being stipulated in the instrument

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

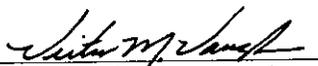
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows.

- 1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;
- 2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board,
- 3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof,
- 4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128. but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;
- 5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and
- 6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 3 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from Classic Petroleum, Inc to Chesapeake Louisiana, L P , of all of Assignor's right, title and interest in and to State Lease Nos. 20146, 20148 and 20149, Bossier, Caddo and DeSoto Parishes, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

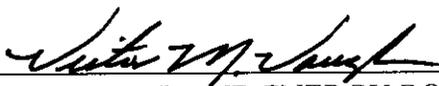
LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the March 10, 2010, Meeting be approved, said instrument being a Correction of Resolution No. 13 from the November 12, 2009 Meeting, being a Merger whereby Tenneco Merger Company is merging with and into Tenneco Inc., under the name of Tennessee Gas Pipeline Company, whereas State Lease No. 2652 was omitted from said resolution and is hereby being added, affecting State Lease Nos. 2651, 2652, 3010 and 3011, Plaquemines Parish, Louisiana.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 5 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from Gaither Petroleum Corporation to Gaither Asset Management, Inc., of all of Assignor's right, title and interest in and to State Lease Nos 19894 and 19895, St Landry Parish, Louisiana, with further particulars being stipulated in the instrument.

Gaither Asset Management, Inc. is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

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

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

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

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

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

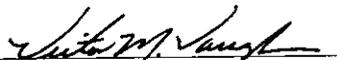
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from Theophilus Oil, Gas & Land Services, LLC to Phoenix Exploration Louisiana C L.L.C, of all of Assignor's right, title and interest in and to State Lease Nos 20219, 20220, 20221, 20222, 20223 and 20224, St Mary Parish, Louisiana, with further particulars being stipulated in the instrument.

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

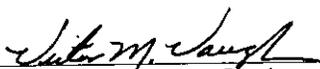
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument,
- 2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board,
- 3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof,
- 4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;
- 5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and
- 6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 7 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from BP America Production Company to Pennington Oil & Gas Interests, L.L.C., of all of Assignor's right, title and interest in and to State Lease No. 19512, Pointe Coupe Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease covers lands contained within the geographical boundaries of the 21,100 TUSCALOOSA SANDS, and **FURTHER INSOFAR, BUT ONLY INSOFAR**, as the above described lease covers and affects the stratigraphic equivalent of the following sands and formations (each being a "Tuscaloosa Sand" and collectively being the "Tuscaloosa Sands"); said Tuscaloosa Sands extending from (a) the stratigraphic equivalent of the top of the Tuscaloosa Sands to (b) the base of the 21,100' Tuscaloosa Sand, Reservoir A, with further particulars being stipulated in the instrument

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

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

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

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

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

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

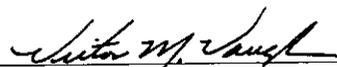
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 8 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from Castex Energy 2005, L.P. to GOM-C Exploration, LLC, an undivided 12.50% of 8/8ths interest in and to State Lease No. 19527, Iberia Parish, Louisiana, with further particulars being stipulated in the instrument.

GOM-C Exploration, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral 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, sublessee or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board,

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

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

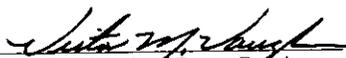
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 9 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from Castex Energy 2005, L.P. to GOM-C Exploration, LLC, an undivided 12.50% of 8/8ths interest in and to State Lease No. 19774, St. Charles Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from Theophilus Oil, Gas & Land Services, LLC to Petrohawk Properties, LP, of all of Assignor's right, title and interest in and to State Lease No. 20114, Red River Parish, Louisiana, with further particulars being stipulated in the instrument

Petrohawk Properties, LP is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975

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

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

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

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

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

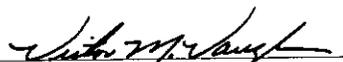
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from Mark A. O'Neal and Associates, Inc. to Maritech Resources, Inc., of all of Assignor's right, title and interest in and to State Lease No. 20110, East Baton Rouge Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

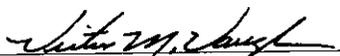
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from White Oak Oil & Gas Partners LP to Hilcorp Energy I, LP, of all of Assignor's right, title and interest in and to State Lease Nos. 11036 and 12721, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

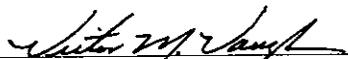
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;
- 2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;
- 3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any non-signatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;
- 4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;
- 5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and
- 6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 13 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from ORX Resources, Inc to Hilcorp Energy I, L P , of all of Assignor's right, title and interest in and to State Lease Nos. 451 and 2203, Plaquemines Parish, Louisiana, **LESS AND EXCEPT** those portions of said leases which are located within the surface perimeter of the WB-8 AL RA SU, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

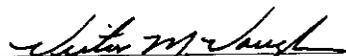
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 14 from the March 10, 2010 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being a Merger whereby Gulfwest Oil & Gas Company (Louisiana) L.L.C is merging with and into Crimson Exploration Operating, Inc., under the name of Crimson Exploration Operating, Inc., affecting State Lease No. 344, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

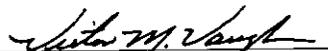
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

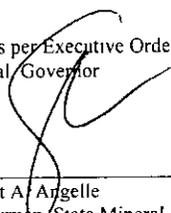
BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

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

By. 
Scott A. Angelle
Chairman, State Mineral Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 15 from the March 10, 2010 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being an Assignment from Crimson Exploration Operating, Inc. to Shoreline Southeast LLC, 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

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

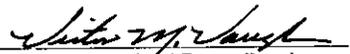
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows

- 1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;
- 2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;
- 3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof,
- 4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R. S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;
- 5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and
- 6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution

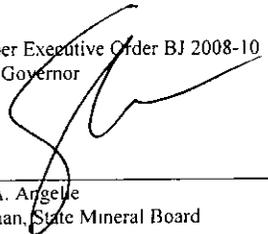
BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman, Secretary, Deputy Assistant Secretary, Chief Landman or any other authorized person be and he is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

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

By 
Scott A. Angele
Chairman, State Mineral Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 16 from the March 10, 2010 Meeting be approved, said instrument being a Conversion whereby Travelers Exploration Company is converting to Travelers Exploration Company, L.L.C., affecting State Lease Nos 1450, 1451, 1480, 14284 and 14589, Lafourche and Terrebonne Parishes, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17 from the March 10, 2010 Meeting be approved, said instrument being an Assignment from Travelers Exploration Company, L.L.C. to XPLOR Energy SPV-1, Inc., of all of Assignor's undivided interest in and to State Lease Nos. 1450, 1451, 1480, 14284 and 14589, Lafourche and Terrebonne Parishes, Louisiana, with further particulars being stipulated in the instrument.

XPLOR Energy SPV-1, Inc. is designated as the joint account Lessee (contact person) pursuant to State Mineral Board Resolution dated September 10, 1975.

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

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

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

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

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

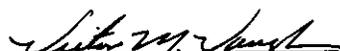
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 18 from the March 10, 2010 Meeting be approved, said instrument being an Assignment and Correction of Assignment from Exxon Mobil Corporation to Goodrich Petroleum Company, L.L.C., of all of Assignor's right, title and interest in and to State Lease No. 1480, Lafourche Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is included within the geographical confines of the MW-Goodrich-Exxon Lake Raccourci Voluntary Unit, **AND INSOFAR AND ONLY INSOFAR AS** to depths from the surface to the base of the stratigraphic equivalent of the BOL. 6 Sand, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

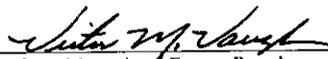
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19 from the March 10, 2010 Meeting be approved, said instrument being an Assignment and Correction of Assignment from Marsh Island, L.P to DRV Energy, an undivided 1% of 8/8ths interest in and to State Lease Nos. 19148, 19151, 19152, 19153, 19154, 19155 and 19184, Iberia Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

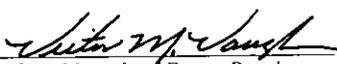
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10-07 from the March 10, 2010, Meeting be approved, said instrument being an Amendment of that certain Unitization Agreement, effective December 16, 2000, presented by Burlington Resources Offshore Inc., et al, whereas said parties desire to amend the "South Marsh Island Block 207 Unit" to include the Upper P Sand, Cris Zone and Q-2 Sand to Paragraph 3 of said Unit Agreement, affecting State Lease No. 340 and Federal Lands, Vermilion Parish, Louisiana, with further particulars being stipulated in the instrument.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of March, 2010 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


STATE MINERAL AND ENERGY BOARD