

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE AND BOARD MEETING

MAY 10, 2017

JOHN BEL EDWARDS
GOVERNOR



THOMAS F. HARRIS
SECRETARY

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

Opening of Bids

May 10, 2017

A public meeting for the purpose of opening sealed bids was held on Wednesday, May 10, 2017, beginning at 8:30 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Recorded as present were:

David Boulet - Assistant Secretary of the Office of Mineral Resources

Stacey Talley - Business Analyst of the Office of Mineral Resources

Rachel Newman – Director, Mineral Income Division

Boyd Handley – Administrator, Geology, Engineering & Lands Division

Emile Fontenot – Director, Petroleum Lands

Mr. David Boulet presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of Tract Nos. 44704 through 44730 which were published for lease by the Board at today's sale.

Mr. Boulet then stated that one letter of protest was received from The Cockrell Foundation and Cockrell Investment Partners, L.P. (Cockrell) dated May 5, 2017, requesting that Tracts 44721, 44723, 44724, 44725, 44727, and 44728 be withdrawn from the May 10, 2017 Lease Sale.

Mr. Boulet stated that there were no other tracts to be withdrawn from today's Lease Sale.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 44704
(Portion – 152.00 Acres)

Bidder	:	HILCORP ENERGY I, L.P.
Primary Term	:	Five (5) years
Cash Payment	:	\$26,600.00
Annual Rental	:	\$13,300.00
Royalties	:	21.00000% on oil and gas
	:	21.00000% on other minerals
Additional Consideration	:	None

INLAND TRACTS

Tract 44712

Bidder	:	SENTRY ENERGY SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$21,995.00
Annual Rental	:	\$10,997.50
Royalties	:	25.00000% on oil and gas
	:	25.00000% on other minerals
Additional Consideration	:	None

Tract 44715

Bidder	:	SENTRY ENERGY SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$10,375.00
Annual Rental	:	\$5,187.50
Royalties	:	25.00000% on oil and gas
	:	25.00000% on other minerals
Additional Consideration	:	None

Tract 44726
(Portion 400.000 Acres)

Bidder	:	HOUSTON ENERGY, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$110,800.00
Annual Rental	:	\$55,400.00
Royalties	:	21.00000% on oil and gas
	:	21.00000% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

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

JOHN BEL EDWARDS
GOVERNOR



THOMAS F. HARRIS
SECRETARY

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

Regular Meeting

May 10, 2017

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, May 10, 2017**, beginning at 9:37 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

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

W. Paul Segura, Jr., Chairman
Carol R. LeBlanc, Vice-Chairman
Thomas L. Arnold, Jr.
Thomas F. Harris, DNR Secretary
Emile B. Cordaro
Theodore M. "Ted" Haik, Jr.
J. Todd Hollenshead

The following members of the Board were recorded as absent:

Robert D. Watkins
Gregory C. Carter
Rochelle A. Michaud-Dugas
Johnny B. Bradberry

Mr. Boulet announced that seven (7) members of the Board were present and that a quorum was established.

Also recorded as present were:

David W. Boulet - Assistant Secretary of the Office of Mineral Resources
Stacey Talley – Business Analyst of the Office of Mineral Resources

Ryan Seidemann - Assistant Attorney General
Christopher Lento - Assistant Attorney General
Rachel Newman - Director, Mineral Income Division
Boyd Handley – Administrator, Geology, Engineering & Land Division
Emile Fontenot - Director, Petroleum Lands
Byron Miller –Supervisor, Geology
Jason Talbot – Supervisor, Geology
Charles Bradbury – Supervisor, Engineering
James Devitt - Deputy General Counsel, Department of Natural Resources

The Chairman stated that the first order of business was the approval of the April 12, 2017 Minutes. A motion was made by Mr. Arnold to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Ms. LeBlanc and unanimously adopted by the Board. (No public comment was made at this time.)

The Chairman then stated that the next order of business was the presentation of the Staff Reports*:

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

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

**A) LEASE REVIEW REPORT
May 10, 2017**

I. Geological and Engineering Staff Review

According to the SONRIS database, there were 1,341 active State Leases containing approximately 560,000 acres. Since the last Lease Review Board meeting, the Geological and Engineering Division reviewed 95 leases covering approximately 50,000 acres for lease maintenance and development issues.

II. Board Review

1. A staff report on State Lease 195-C, Quarantine Bay Field, Plaquemines and St. Bernard Parishes. Cox Operating L.L.C. is a lessee and the field operator. Upon motion of Mr. Arnold, seconded by Mr. Harris, the State Mineral and Energy Board accepted Cox's report and require Cox to evaluate specific acreage as outlined in the attached exhibit A of this report and that by November 8, 2017 or within six (6) months, Cox must present a viable oil and gas prospect over Exhibit A acreage to the staff or release the acreage.

III. Force Majeure

1. Memorandum regarding Force Majeure to State Lease Operators.

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #17-05-001
(LEASE REVIEW COMMITTEE)**

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

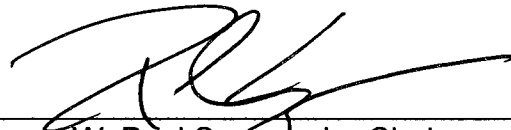
WHEREAS, the Lease Review Committee last reviewed State Lease 195-C, Quarantine Bay Field, on May 11, 2016, whereby the Board adopted the Committee's recommendation to accept Cox Operating L.L.C.'s (Cox) status update and grant Cox until April 8, 2017 to provide a status update on lease development and lease activity; and

WHEREAS, by letter dated April 11, 2017, Cox submitted their annual report which included lease operations and development plans, and;

NOW THEREFORE BE IT RESOLVED that the State Mineral and Energy Board accepts Cox's report and requires that Cox evaluate specific acreage as outlined in the attached Exhibit A of this report and that by November 8, 2017 or within six (6) months, Cox must present a viable oil and gas prospect over Exhibit A acreage to the staff or release the acreage.


CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on May 10, 2017, 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.



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

Legend

 SL 195-C Quarantine Bay

**Area of Evaluation
Possible Development**

Developed Area

PLAQUEMINES

BAY DENESSE

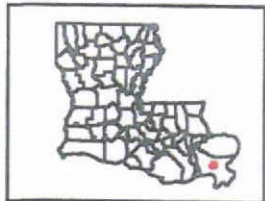


Exhibit A
SL 195-C
Lessee/Operator
Cox Operating LLC.

Quarantine Bay Field
Plaquemines Parish
Map by: Jason Talbot
Date: 5/2/2017

OMR/G&E
Lease Evaluation
District IW

MAY 1, 2017

FOR INFORMATIONAL PURPOSES -- NO ACTION IS REQUIRED AT THIS TIME

MEMORANDUM REGARDING FORCE MAJEURE TO STATE LEASE OPERATORS

The 2017 Hurricane Season begins June 1st, and the Office of Mineral Resources (OMR) wishes to remind our Lessees to review the State Mineral and Energy Board's Force Majeure Policy. In doing so, should the need occur to report a force majeure condition affecting your State Lease, you will be prepared to quickly move through the reporting process.

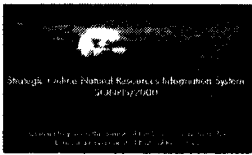
A "How-To" guide for reporting force majeure events can be accessed on OMR's webpage at the Department of Natural Resources website located at www.dnr.la.gov. This guide instructs on the procedures detailing documentation to submit and provides copies of the Force Majeure Policy, sample State Lease amendments, a sample affidavit, and a spreadsheet to assist with force majeure reporting needs.

Briefly, the procedures are as follows:

1. Report all State Leases that are shut-in as a result of a force majeure event within 90 days of the actual date shut-in occurs if it appears that you will be unable to restore production of the State Lease within 90 days.
2. If there are other means to maintain the State Lease (such as rental payments, shut-in payments, deferred development payments, etc.), Lessees/Operators are required to submit those payments timely. However, please note that to utilize the shut-in or in-lieu royalty provisions in a State Lease, the well must be qualified by OMR staff prior to the first payment period (normally, this is 90 days after the well becomes shut-in). Instructions for qualifying a well as commercially productive are located in the "How-To" section at www.dnr.la.gov.
3. All new requests for force majeure recognition should be submitted using the online force majeure reporting system. If unable to connect to the reporting system, please complete the excel spreadsheet and forward that via email. Links to the online reporting system and spreadsheet can be found in the "How to Report Force Majeure" section of OMR's website.
4. OMR staff will provide additional instructions for any further information or actions required.
5. All State Leases that do not include force majeure language may need to be amended to include the current force majeure language. Copies of a sample State Lease Amendment are on OMR's website.

Should you have any questions concerning force majeure, please do not hesitate to contact Charles Bradbury directly at (225) 342-9199 or by email at Charles.Bradbury@la.gov.

David Boulet
Assistant Secretary
Office of Mineral Resources
Department of Natural Resources



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: June 14, 2017 2:53 PM

District Code 1 New Orleans- East
 Get Review Date May 10, 2017

Well ID	Field	Lease Name / Activity	Productive Acres	Prostate	Flagged for Review
00195C	QUARANTINE BAY	QB 3 RB SU	7200	15357	MAY LRC AR 5/10/17 SM&EB RES. 17-05-001;; 4/27/17 DP AR - HBP - 6 UNITS, 10 SL WELLS
00195C	QUARANTINE BAY, SOUTH	QB 3 RB SU	7200	15357	MAY LRC AR 5/10/17 SM&EB RES. 17-05-001;; 4/27/17 DP AR - HBP - 6 UNITS, 10 SL WELLS
00335B	DELTA DUCK CLUB	VUB;SL 335 DDC U2	930	2047	MAY AR 4/27/17 DP AR - HBP - 3 UNITS, 2 VUS
01278	MAIN PASS BLOCK 69	245471-SL 1278-021 12/30/2012	1000	2026.33	MAY AR 4/27/17 DP AR - HBP - 2 UNITS, 6 SL WELLS
01961	MAIN PASS BLOCK 35	MPB35 UM0 RA SU 12/01/1988	1600	2500.39	MAY AR 4/27/17 DP AR - HBP - 5 UNITS, 9 SL WELLS
11188	MAIN PASS BLOCK 47	VUA;SL 11189	218.82	218.821	MAY AR 4/27/17 DP QR - HBP - 1 VU, MINIMAL PRODUCTION
12503	CHANDELEUR SOUND BLOCK 71	11.062 08/19/2003	16.314	16.314	MAY AR 4/27/17 DP AR - HBP - 1 UNIT
17621	MAIN PASS BLOCK 16	YAKEY 09/01/2005	90.38	90.38	MAY AR 4/27/17 DP QR - HBP - 1 VU, MINIMAL PRODUCTION
17623	MAIN PASS BLOCK 16	YAKEY 09/01/2005	0	9.48	MAY AR 4/27/17 DP QR - HBP - 1 VU, MINIMAL PRODUCTION
17624	MAIN PASS BLOCK 16	YAKEY 09/01/2005	88.53	88.53	MAY AR 4/27/17 DP QR - HBP - 1 VU, MINIMAL PRODUCTION
17762	MAIN PASS BLOCK 16	YAKEY 09/01/2005	47.75	47.75	MAY AR 4/27/17 DP QR - HBP - 1 VU, MINIMAL PRODUCTION
17763	MAIN PASS BLOCK 16	YAKEY 09/01/2005	28.91	28.91	MAY AR 4/27/17 DP QR - HBP - 1 VU, MINIMAL PRODUCTION
17764	MAIN PASS BLOCK 16	YAKEY 09/01/2005	12.72	12.72	MAY AR 4/27/17 DP QR - HBP - 1 VU, MINIMAL PRODUCTION
17765	MAIN PASS BLOCK 16	YAKEY 09/01/2005	73.56	73.56	MAY AR 4/27/17 DP QR - HBP - 1 VU, MINIMAL PRODUCTION
17766	MAIN PASS BLOCK 16	YAKEY 09/01/2005	43.53	43.53	MAY AR 4/27/17 DP QR - HBP - 1 VU, MINIMAL PRODUCTION
21645			0	15	MAY PT 2/10/2019 4/27/17 DP AR - HELD BY RENTAL PAID 2/09/2017



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: June 14, 2017 2:53 PM

District Code 1W New Orleans- West
 Get Review Date May 10, 2017

Prop No	Project	Project Dates / Activity	Productive Acreage	Present Acreage	Wells / Review Info
00192B	TIMBALIER BAY ONSHORE	3000 RB SUA;SL PP 192 665-XX-1 02-366	4000	6000	MAY. AR 4/27/17 DP AR - HBP - 3 UNITS, 19 SL WELLS
00192B	TIMBALIER BAY OFFSHORE	3000 RB SUA;SL PP 192 665-XX-1 02-366	4000	6000	MAY. AR 4/27/17 DP AR - HBP - 3 UNITS, 19 SL WELLS
00496	VENICE	B7 RB SUA 07/22/2014 64-H-8 14-353	4.24	4.24	MAY AR 4/27/17 DP AR - HBP - 2 UNITS
01464	LAKE WASHINGTON	VUI;LL&E	194	642.192	MAY AR 4/27/17 DP AR - HBP - 8 UNITS
01772	TIMBALIER BAY ONSHORE	3000 RB SUA;SL PP 192 665-XX-1 02-366	1000	2120.92	MAY. AR 4/27/17 DP AR - HBP - 3 UNITS, 5 SL WELLS
01773	TIMBALIER BAY ONSHORE	TB D-12 SU; 05/01/1990	31.45	97.44	MAY AR 4/27/17 DP AR - HBP - 1 UNIT
02918	WEST LAKE PONTCHARTRAIN BLK 41 , WEST LAKE PONTCHARTRAIN EAST BLK 41	VUA;SL 4041 04/12/2000	172.61	2356.3	MAY. AR 4/27/17 DP AR - HBP - 2 UNITS, 1 VU
03797	KLONDIKE	K. L. LORIO SU 07/01/1976	5.51	5.51	MAY. AR 4/27/17 DP AR - HBP - 1 UNIT
05259	KINGS RIDGE	106.771 05/04/2017	1.655	1.655	MAY AR 4/27/17 DP AR - HBP - 1 UNIT
06122	COLLEGE POINT-ST JAMES	441.01 10/31/1983	71.99	71.99	MAY. AR 4/27/17 DP QR - HBP - 1 UNIT, 30 DAY GAP
09572	BAY BATISTE	260.649 09/18/1986	43.421	43.421	MAY AR 4/27/17 DP AR - HBP - 1 UNIT
15358	BAYOU SORREL	.833 05/08/2003	409	409	MAY. AR 4/27/17 DP AR - HBP - 1 UNIT
17376	BAY BATISTE	237278-VUA;SL 17376-001 04/14/2008	261.46	261.46	MAY AR 4/27/17 DP AR - HBP - 1 VU
17378	BAY BATISTE	240454-VUA;SL 17378-004 12/20/2009	438.94	438.94	MAY. AR 4/27/17 DP AR - HBP - 1 VU
18997	LITTLE LAKE	L TP 6 RA SUA;SL 19864 12/16/2008 604-T 08-1925	2.536	2.536	MAY. AR 4/27/17 DP AR - HBP - 3 UNITS
20850	LAKE SALVADOR, WEST	248254-CRIS I RE SUA;SL 20850-003-ALT 08/25/2014	170.59	170.59	MAY. AR 4/27/17 DP AR - HBP - 2 UNITS
20856	LAKE SALVADOR, WEST	333.191 02/20/2015	9.529	9.529	MAY AR 4/27/17 DP AR - HBP - 1 UNIT
20857	LAKE SALVADOR, WEST	187.355 02/18/2015	2.335	2.335	MAY AR 4/27/17 DP AR - HBP - 1 UNIT



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: June 14, 2017 2:53 PM

District Code 1W New Orleans- West

Get Review Date May 10, 2017

Parcel ID	Parcel Name	Date of Review Available	Traditional Acreage	Transfer Acreage	Flagged for Review
21107			0	273	MAY PT 2/13/16 4/27/17 DP AR - HELD BY RENTAL PAID 2/10/2017
21642			0	52.27	MAY PT 02/10/2021 4/27/17 DP AR - HELD BY RENTAL PAID 2/21/2017
21647			0	192	MAY PT 2/10/2019 4/27/17 DP AR - HELD BY RENTAL PAID 1/26/2017
21648			0	6.71	MAY PT 2/10/2019 4/27/17 DP AR - HELD BY RENTAL PAID 1/26/2017
21649	MANILA VILLAGE	9400 BIG T RD SUA; 01/24/2017 582-BB-4 17-40	207.43	274	MAY PT 2/10/2019 4/27/17 DP AR - HELD BY RENTAL PAID 1/26/2017, 1 UNIT
21650			0	161	MAY PT 2/10/2019 4/27/17 DP AR - HELD BY RENTAL PAID 1/26/2017
21651	MANILA VILLAGE	9400 BIG T RD SUA; 01/24/2017 582-BB-4 17-40	25.54	42	MAY PT 2/10/2019 4/27/17 DP AR - HELD BY RENTAL PAID 1/26/2017, 1 UNIT
21652			0	13	MAY PT 2/10/2019 4/27/17 DP AR - HELD BY RENTAL PAID 1/26/2017



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: June 14, 2017 2:53 PM

District Code 2 Lafayette

Get Review Date May 10, 2017

Parcel No.	Parcel	Lease/Release Act/Unit	Productive Acreage	Present Acreage	Trigger for Review
00293	FAUSSE POINTE	247836-SL 293 LAKE FAUSSE POINTE-167 07/13/2014	2211	2648	MAY. AR 4/21/17 AW LETTER SENT REGARDING DEVELOPMENT STATUS IN FEBRUARY - RESPONDED BACK TO JT IN APRIL WITH OPTIONS TO RELEASE ACREAGE
00340G 0	COTE BLANCHE BAY, WEST	7412.31 01/05/2017	4700	4700	MAY. AR 4/21/17 AW HBP IN LEASE WELLS & 6 UNITS (81900 RN N3 N4 SU, 1700 RL SU, 53 RW-X SU, 14 RB-X SU, 37 RA SU, 53 RMQ 1 SU)
02655	BAYOU LONG, BAYOU POSTILLION, BAYOU POSTILLION, EAST	D 3 RA SUA;GOODRICH	61.698	98	MAY. AR 4/21/17 AW HBP IN 3 UNITS (D 3 RB SUA, D 2A-2B RA SUA, & OPERC 4 RA SUA)
08091	BAYOU CARLIN	MA 5 RD SUA;SL 8091 08/09/2005 570-E-3 05-843	205.81	205.81	MAY. AR 4/21/17 AW HBP IN 1 UNIT (MA 7 RA SUE)
09410	BAYOU CARLIN	MA 5 RD SUA;SL 8091 08/09/2005 570-E-3 05-843	305.6	305.6	MAY. AR 4/21/17 AW HBP IN 1 UNIT (MA 7 RA SUE)
13470	BAYOU CARLIN	MA 7 RA SUD;KEARNEY 570-C-3	170.662	170.662	MAY. AR 4/21/17 AW HBP IN 1 UNIT (MA 7 RA SUE)
14571	SHIP SHOAL BLOCK 65, SHIP SHOAL BLOCK 66	158.026 01/22/2001	486.614	486.614	MAY. AR 4/21/17 AW HBP IN 2 UNITS (VUA & VUA; SL 14572)
14572	SHIP SHOAL BLOCK 65, SHIP SHOAL BLOCK 66	40.123 01/22/2001	202.757	202.757	MAY. AR 4/21/17 AW HBP IN 2 UNITS (VUA & VUA; SL 14572)
15110	CAILLOU ISLAND	1583.44 01/31/1997	8.6	8.6	MAY. AR 4/21/17 AW HBP IN 1 UNIT (L 15000 R560 SUA)
15470	DEER ISLAND, WEST	52.5 01/29/1999	97.61	103.5	MAY. AR 4/21/17 AW HBP IN 1 UNIT (L TEX W RA SUA)
15855	DEER ISLAND, WEST	40.26 12/27/1999	8.6	8.76	MAY. AR 4/21/17 AW HBP IN 1 UNIT (L TEX W RA SUA)
16446	LAPEYROUSE	17.582 03/24/2009	4.258	4.258	MAY. AR 4/21/17 AW HBP IN 1 UNIT (PELICAN RE SUA)
19720	EUGENE ISLAND BLOCK 16	242401-VUA;SL 19720-001 12/16/2010	418.62	418.62	MAY. AR 4/21/17 AW HBP IN 1 UNIT (VUA; SL 19720)
19924	EUGENE ISLAND BLOCK 16	242891-VUA;SL 19924-001 03/23/2011	689.37	689.37	MAY. AR 4/21/17 AW HBP IN 1 UNIT (VUA; SL 19720)
20547	PERRY POINT	2.23 07/08/2014	1.63	1.63	MAY. AR. TAX ADJUDICATED 4/21/17 AW HBP IN 1 UNIT (BOL M B RA SUA)
20870	POINT CHEVREUIL	454.7 03/04/2016	6.78	6.78	MAY. AR 4/21/17 AW HBP IN 1 UNIT (11000 RA SUB)
20871	POINT CHEVREUIL	291.84 03/04/2016	24.416	24.42	MAY. AR 4/21/17 AW HBP IN 1 UNIT (11000 RA SUB)
20878	POINT CHEVREUIL	81.888 04/29/2015	375.6	375.6	MAY. AR OPTION 4/21/17 AW HBP IN 2 UNITS (11000 RA SUA & 11000 RA SUB)



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: June 14, 2017 2:53 PM

District Code 2 Lafayette
Get Review Date May 10, 2017

Well ID	Well Name	Productive Acreage	Reservoir Acreage	Staff Review
21109	BAY ST ELAINE	658.89	658.89	MAY 4/21/17 AW HBP IN LEASE WELL
21122	ATCHAFALAYA BAY, SOUTH	111.23	111.23	MAY. PT 2/13/16 ATCHAFALAYA DELTA WMA 4/21/17 AW HBP IN LEASE WELL



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: June 14, 2017 2:53 PM

District Code 3 Lake Charles- North

Get Review Date May 10, 2017

Well No	Well Name	Lease (Tract) Activity	Productive Acreage	Present Acreage	Flagged for Review If
18371	CASPIANA	19.282 06/09/2014	149.644	149.644	MAY. AR 4/24/17 SR AR 100% HBP 2 UNITS 2 PRODUCING WELLS
19787	ALABAMA BEND	HA RA SUV;BURKETT 5-15-10 H 03/16/2010 1490-C-9 10-274	29.32	29.32	MAY. AR LOGGY BAYOU WMA 4/24/17 SR AR 100% HBP 1 UNIT 8 PRODUCING WELLS
19840	LOGANSPORT	HA RA SUDD;BOOKER 28-11-15 H 06/23/2009 28-AA-13 09-641	14.633	20	MAY. AR 4/24/17 SR AR 100% HBP 2 UNITS 2 PRODUCING WELLS
19841	LOGANSPORT	81.535 03/09/2011	68.465	68.465	MAY. AR 4/24/17 SR AR 100% HBP 2 UNIT 2 PRODUCING WELLS
19844	BENSON	43 03/12/2012	46	46	MAY. AR 4/24/17 SR AR 100% HBP 2 UNIT 2 PRODUCING WELLS
19928	CEDAR GROVE , ELM GROVE	HA RA SU133;FRANKS INV CO 10 H 10/26/2010 361-L-101 10-1083	2.743	2.743	MAY. AR 4/24/17 SR AR 100% HBP 2 UNIT 2 PRODUCING WELLS
20269	RED RIVER-BULL BAYOU	HA RC SUQ;RENFRO 15-13-13 H 06/23/2009 109-X-44	55	55	MAY. AR TAX ADJUDICATED LANDS 4/24/17 SR AR 100% HBP 1 UNIT 1 PRODUCING WELL
20270	BRACKY BRANCH	HA RA SUI;FRED WILLIS MD 23 H 01/13/2009 917-L-2 09-34	5	5	MAY. AR TAX ADJUDICATED LANDS 4/24/17 SR AR - 100% HBP 1 UNIT 1 PRODUCING WELL
20337	ELM GROVE , LAKE BISTINEAU	HA RA SU132;COTSWOLD 29- 16-10H 04/24/2010 361-L-82 10-450	130.34	131	MAY. AR 4/24/17 SR AR - 100% HBP 1 UNIT 1 PRODUCING WELL
20544	CONVERSE	HA RA SU112;EBARB 36 HZ 10/26/2010 501-G-34 10-1090	40	40	MAY. AR 4/24/17 SR AR 100% HBP 1 UNITS 1 PRODUCING WELLS
20545	CONVERSE	HA RA SU112;EBARB 36 HZ 10/26/2010 501-G-34 10-1090	6	6	MAY. AR 4/24/17 SR AR 100% HBP 1 UNITS 1 PRODUCING WELLS



Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: June 14, 2017 2:53 PM

District Code 3S Lake Charles- South
Get Review Date May 10, 2017

Table with columns: District Code, Name, Date, Productive Acreage, Present Acreage, and Flagged for Review. Includes rows for PERRY POINT, CHENEYVILLE, WEST, BECKWITH CREEK, SULPHUR MINES, and SEARCY, WEST. Summary row at bottom shows 95 total items, 30,778.083 productive acreage, and 49,574.919 present acreage.

b) NOMINATION AND TRACT REPORT
May 10, 2017

The Board heard the report of Mr. Emile Fontenot **presented at 9:42 a.m.** on Wednesday May 10, 2017 relative to nominations received in the Office of Mineral Resources for the July 12, 2017 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Haik**, duly seconded by **Mr. Harris**, the Board granted authority to the staff to advertise all such tracts as have been reviewed by the State Land Office and the staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report presented by Mr. Fontenot.

A Letter of Protest from The Cockrell Foundation and Cockrell Investment Partners, L.P. (Cockrell) dated May 5, 2017 requesting that Tracts 44721, 44723, 44724, 44725, 44727 and 44728 be with drawn from the May 10, 2017 lease sale. On the motion of **Mr. Arnold**, duly seconded by **Ms. LeBlanc**, the board voted unanimously to withdraw the tracts from the May 10, 2017 lease sale.

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Tracts Withdrawal

Resolution #17-05-002
(NOMINATION AND TRACT REPORT)

WHEREAS, the Staff presented a recommendation to withdraw Tract Nos. 44721, 44723, 44724, 44625, 44727 and 44728 from the May 10, 2017 Lease Sale;

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

That the State Mineral and Energy Board grant final approval to withdraw all such tracts for the May 10, 2017 Mineral Lease Sale;

NOW, BE IT THEREFORE RESOLVED, that the State Mineral and Energy Board does hereby approve and authorize the withdrawal of said Tracts from the May 10, 2017 Lease Sale, and to otherwise approve the Nomination and Tract Committee Report.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 10th day of May 2017, 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.



W. Paul Segura, Jr., Chairman
LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Tracts to Be
Advertised for the
July 12, 2017
Lease Sale

Resolution #17-05-003
(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Emile Fontenot reported that 29 tracts had been nominated for the July 12, 2017 Mineral Lease Sale, and requests that same are to be advertised pending staff review;

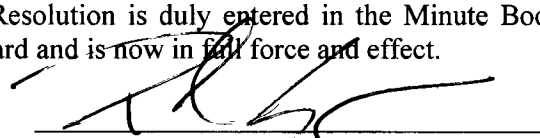
ON MOTION of *Mr. Haik*, seconded by *Mr. Harris*, the following recommendation was offered and unanimously adopted by the Board after discussion and careful consideration:

That the State Mineral and Energy Board grant final approval to advertise all such tracts for the July 12, 2017 Mineral Lease Sale;

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

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 10th day of May 2017, 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.



W. Paul Segura, Jr., Chairman
LOUISIANA STATE MINERAL AND ENERGY BOARD

c) AUDIT REPORT
May 10, 2017

The first matter on the audit report was the election of the May 2017 gas royalty to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

d) LEGAL AND TITLE CONTROVERSY REPORT

The first matter considered by the State Mineral and Energy Board (Board) was a request for final approval of the following Lease Amendments by and between the State Mineral and Energy Board, for and on behalf of the State of Louisiana, and Upstream Exploration LLC (Upstream), whereas said parties desire to amend:

- a. State Lease No. 21481, Plaquemines Parish, to increase the annual rental payment to \$16,836.00 for a twelve (12) month extension, and the royalty percentage to 23% from August 13, 2017, through the remaining life of the lease with further particulars being stipulated in the instrument, on the Docket as Item No. 17-07;
- b. State Lease No. 21476, Plaquemines Parish, Louisiana, that the rental payment will remain the same, \$2,208.00 for the six (6) months extended Primary Term, and the royalty percentage shall be increased to 23% from August 13, 2017, through the remaining life of the lease with further particulars being stipulated in the instrument, on the Docket as Item No. 17-08;
- c. State Lease No. 21474, Plaquemines Parish, Louisiana, that the rental payment will remain the same, \$17,112.00 for the six (6) months extended Primary Term, and the royalty percentage shall be increased to 23% from August 13, 2017, through the remaining life of the lease with further particulars being stipulated in the instrument, on the Docket as Item No. 17-09;
- d. State Lease No. 21473, Plaquemines Parish, Louisiana, to increase the annual rental payment to \$31,464.00 for a twelve (12) month extension, and the royalty percentage to 23% from August 13, 2017, through the remaining life of the lease with further particulars being stipulated in the instrument, on the Docket as Item No. 17-10.

Upon motion of Mr. Haik, seconded by Mr. Arnold, and by unanimous vote of the Board, the State Mineral and Energy Board approved the above stated Lease Amendments by and between the State Mineral and Energy Board, for and on behalf of the State of Louisiana, and Upstream Exploration LLC on the Docket as Item Nos. 17-07, 17-08, 17-09, and 17-10. Mr. Jeffrey Lieberman from Liskow and Lewis addressed the Board on behalf of Upstream and expressed his appreciation to the Staff and Board for working with Upstream. No other comments were made by the public.

The second matter considered by the Board was a request by Staff to the State Mineral and Energy Board for a one (1) month extension to properly advertise Operating Agreements with SOLA Energy Resources, LLC covering unleased state acreage in Vernon and Rapides Parishes, Louisiana.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, and by unanimous vote of the Board, the State Mineral and Energy Board granted a one (1) month extension to allow adequate time to properly advertise the aforementioned Operating Agreements with SOLA Energy Resources, LLC. No comments were made by the public.

The third matter considered by the Board was a request by Hunt Oil Company, Fieldwood Energy Offshore, LLC and Sandridge Energy Offshore, LLC (Hunt, et al) to the State Mineral and Energy Board to authorize Staff of the Office of Mineral Resources to negotiate the terms of an Operating Agreement with Hunt, et al covering approximately 0.338 unleased state acres being identified as Lots 16, 30, 35, and 39 within the L CRIS 1 RB SUA; K F Stewart No. 1 Well, Stella Field, in Plaquemines Parish, Louisiana.

Hunt, et al further requested that the acreage be removed from commerce and unavailable for leasing until the June 14, 2017 Board Meeting or until an Operating Agreement is confected and approved by the Board, whichever occurs first.

Upon motion of Mr. Arnold, seconded by Mr. Harris, the State Mineral and Energy Board granted the request by Hunt, et al to authorize Staff to negotiate the terms of an Operating Agreement with Hunt, et al on the above listed unleased state acreage and to remove the acreage from commerce and make it unavailable for leasing until the June 14, 2017 Board Meeting or until an Operating Agreement is confected and approved by the Board, whichever occurs first. No comments were made by the public.

The fourth matter considered by the Board was a report from Staff to the State Mineral and Energy Board on the first tranche of the Proposed State Mineral Lease Form Articles as listed below:

- a. A rewrite on Article 11 entitled "Lease Access" in the Proposed State Mineral Lease Form for the Board's comments and review.

After thorough review and commentary between the Staff and the Board, and hearing from Mr. Thomas Smart of the Onebane Law Firm, Mr. Haik called for a motion for previous question in debate to end debate, seconded by Mr. Cordaro, and by unanimous vote of the Board, the State Mineral and Energy Board ended the debate on a pending proposal in regards to the rewrite of Article 11 of the Proposed State Mineral Lease Form.

Upon motion of Mr. Haik, seconded by Mr. Arnold, and by unanimous vote of the Board, the State Mineral and Energy Board accepted the clean version in principle of the Staff's rewrite of Article 11 entitled "Lease Access" in the Proposed State Mineral Lease Form as submitted to the Board.

- b. A rewrite on Article 23 entitled "Executory Contracts" in the Proposed State Mineral Lease Form for the Board's comments and review.

Mr. Smart voiced no objection to this rewrite. Upon motion of Mr. Haik, seconded by Mr. Arnold, and by unanimous vote of the Board, the State Mineral and Energy Board adopted in principle the Staff's rewrite of Article 23 entitled "Executory Contracts" in the Proposed State Mineral Lease Form as submitted to the Board.

- c. A rewrite on Article 27 entitled "Multiple Originals" in the Proposed State Mineral Lease Form for the Board's comments and review.

Upon motion of Mr. Haik, seconded by Mr. Arnold, and by unanimous vote of the Board, the State Mineral and Energy Board adopted for approval the Staff's rewrite of Article 27 entitled "Multiple Originals" in the Proposed State Mineral Lease Form as submitted to the Board. No comments were made by the public.

- d. A rewrite on Article 17 entitled "Title Disputes" in the Proposed State Mineral Lease Form for the Board's comments and review.

After thorough review and commentary between the Staff and the Board, and hearing from Mr. Thomas Smart of the Onebane Law Firm, upon motion of Mr. Haik, seconded by Mr. Arnold, and by unanimous vote of the Board, the State Mineral and Energy Board adopted the clean version of the Staff's rewrite that consolidates the paragraph from "Warranty and Title" into Article 17 entitled "Title Disputes" in the Proposed State Oil and Gas Lease Form as submitted to the Board, excluding Paragraph A which the Board hereby requests Staff to make suggested changes in Paragraph A and resubmit for the Board's review at the June 14, 2017 Board Meeting.

- e. A rewrite on Article 26 entitled "Severability" in the Proposed State Mineral Lease Form for the Board's comments and review.

After thorough review and commentary between the Staff and the Board, and hearing from Mr. Thomas Smart of the Onebane Law Firm, upon motion of Mr. Haik, seconded by Mr. Arnold, and by unanimous vote of the Board, the State Mineral and Energy Board adopted in principle the Staff's rewrite of Article 26 entitled "Severability" in the Proposed State Mineral Lease Form as submitted to the Board.

- f. A rewrite on Article 24 entitled "Law and Forum" in the Proposed State Mineral Lease Form for the Board's comments and review.

Upon motion of Mr. Haik, seconded by Mr. Arnold, and by unanimous vote of the Board, the State Mineral and Energy Board adopted the clean version of the Staff's

rewrite of Article 24 entitled "Law and Forum" in the Proposed State Mineral Lease Form as submitted to the Board. Public comment was made by Mr. Thomas Smart of the Onebane Law Firm.

- g. The Board acknowledged the inclusion of "Venue" into the rewrite on Article 24 entitled "Law and Forum" in the Proposed State Mineral Lease Form.
- h. An analysis of potential "EEOC" language in the Proposed State Mineral Lease Form.

Upon motion of Mr. Haik, seconded by Mr. Harris, and by unanimous vote of the Board, the State Mineral and Energy Board adopted Staff's recommendation that the "EEOC" language be removed from the rewrite of the Proposed State Mineral Lease Form. No comments were made by the public.

Written comments were received from the following in reference to the foregoing Proposed State Mineral Lease Form Articles and are attached to and made a part of these Minutes:

- Peck Hayne and Cynthia Nicholson of the Gordon, Arata Law Firm, dated May 2, 2017.
- Thomas Smart of the Onebane Law Firm, dated May 2, 2017.

For information purposes, the second tranche of the Proposed State Mineral Lease Form Articles consist of the following:

	2000 LEASE FORM (PARAGRAPH NOS.)	2016 AUGUST PROPOSED FORM (ARTICLE NOS.)	<u>ARTICLES</u>
2ND GROUP	1	1	BONUS
	2	2	PRIMARY TERM
		12	LESSOR'S RIGHTS
	11	8	LESSEE REPORTING
		25	CONFLICT
	15	21	INDEMNITY AND HOLD HARMLESS
	25	20	NOTICES
	17	22	NO WARRANTY OF TITLE
	12	15	FINANCIAL SECURITY
	13	5	FORCE MAJEURE
	-	RECITALS	
	SIGNATURE		

The fifth matter considered by the Board was a request by BHP Billiton Petroleum (Americas), Inc. (BHP) that the State Mineral and Energy Board authorize the Staff of the Office of Mineral Resources to negotiate the terms of an Operating Agreement on unleased State acreage situated in Sections 29 and 30, Township 16 North, Range 11 West, Bossier Parish, Louisiana (former State Lease No. 17732 released by J-W Operating Company within the HA RA SU 127 and the CV RA SU 45, Elmwood Field, Bossier Parish, Louisiana).

BHP further requested that the before mentioned unleased State acreage be removed from commerce and unavailable for leasing until the August 9, 2017 Board Meeting, or until an Operating Agreement is confected and approved by the Board, whichever occurs first.

Mr. Haik requested that the Staff provide additional information regarding which particular terms are being negotiated on all future requests brought before the Board when requesting the Board to authorize Staff to negotiate Operating Agreements.

Upon motion of Mr. Haik, seconded by Mr. Arnold, and by unanimous vote of the Board, the State Mineral and Energy Board approved BHP's request for Staff to negotiate an Operating Agreement on the above listed unleased State acreage and to remove such acreage from commerce and make it unavailable for leasing until the August 9, 2017 Board Meeting, or until an Operating Agreement is confected and approved by the Board, whichever occurs first. No comments were made by the public.

The sixth matter brought before the Board was a request by Mr. Haik in an email dated May 8, 2017, requesting the following item be added to the report, "A motion to amend and supplement Board Resolution # 16-19-014 adopted Oct. 12, 2016, whereby any proposed change to the articles and/terms of a mineral oil and gas lease, operating agreement or assignment must be presented to the Board, in written resolution form, for approval, before granting authority to the Chairman, Vice Chairman or Secretary of the Board to execute same."

Mr. Haik motioned to the Board to set aside his request as listed above until all members of the Board are available to review this request. The motion was seconded by Mr. Hollinshead and by unanimous vote of the Board. Ms. Michaud-Dugas noted that the email referred to Item #16-19-014 but it was really #16-10-014, which was a typo.

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Lease Amendments - Upstream
Exploration LLC, SL Nos 21481,
21476, 21474, and 21473
Docket Item Nos. 17-07, 17-08,
17-09, and 17-10

RESOLUTION #17-05-004

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request was made for final approval of the following Lease Amendments by and between the State Mineral and Energy Board, for and on behalf of the State of Louisiana, and Upstream Exploration LLC, whereas said parties desire to amend:

- a. State Lease No. 21481, Plaquemines Parish, Louisiana, State Lease No. 21481, Plaquemines Parish, Louisiana, to increase the annual rental payment to \$16,836.00 for a twelve (12) month extension, and the royalty percentage shall be increased to 23% from August 13, 2017, through the remaining life of the lease with further particulars being stipulated in the instrument, on the Docket as Item No. 17-07;
- b. State Lease No. 21476, Plaquemines Parish, Louisiana, that the rental payment will remain the same \$2,208.00 for the six (6) months extended Primary Term, and the royalty percentage shall be increased to 23% from August 13, 2017, through the remaining life of the lease with further particulars being stipulated in the instrument, on the Docket as Item No. 17-08;
- c. State Lease No. 21474, Plaquemines Parish, Louisiana, that the rental payment will remain the same \$17,112.00 for the six (6) months extended Primary Term, and the royalty percentage shall be increased to 23% from August 13, 2017, through the remaining life of the lease with further particulars being stipulated in the instrument, on the Docket as Item No. 17-09;
- d. State Lease No. 21473, Plaquemines Parish, Louisiana, State Lease No. 21481, Plaquemines Parish, Louisiana, to increase the annual rental payment to \$31,464.00 for a twelve (12) month extension, and the royalty percentage shall be increased to 23% from August 13, 2017, through the remaining life of the lease with further particulars being stipulated in the instrument, on the Docket as Item No. 17-10.

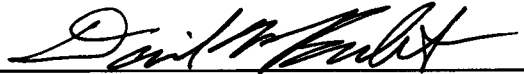
WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration, recommended that the foregoing request be approved by the Board;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant final approval of the Lease Amendments stated above by and between the State Mineral and Energy Board, for and on behalf of the State of Louisiana, and Upstream Exploration LLC, on the Docket as Item Nos. 17-07, 17-08, 17-09, and 17-10.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**DAVID W. BOULET, SECRETARY
STATE MINERAL AND ENERGY BOARD**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

SOLA Energy Resources, LLC -
Request by Staff for one month
extension to properly advertise
Operating Agreements

RESOLUTION #17-05-005

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request by Staff to the State Mineral and Energy Board for a one (1) month extension to properly advertise Operating Agreements with SOLA Energy Resources, LLC covering unleased state acreage in Vernon and Rapides Parishes, Louisiana.

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

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

NOW THEREFORE, BE IT RESOLVED that the Board does hereby grant authority to the Staff of the Office of Mineral Resources for a one (1) month extension to properly advertise Operating Agreements with SOLA Energy Resources, LLC covering unleased state acreage in Vernon and Rapides Parishes, Louisiana

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



DAVID W. BOULET, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #17-05-006

(LEGAL & TITLE CONTROVERSY REPORT)

Hunt Oil Company, Fieldwood Energy Offshore, LLC & Sandridge Energy Offshore, LLC request for OMR Staff to negotiate Operating Agreement.

WHEREAS, a request was made by Hunt Oil Company, Fieldwood Energy Offshore, LLC and Sandridge Energy Offshore, LLC (Hunt, et al) to the State Mineral and Energy Board to authorize Staff of the Office of Mineral Resources to negotiate the terms of an Operating Agreement with Hunt, et al covering approximately 0.338 unleased state acres being identified as Lots 16, 30, 35, and 39 within the L CRIS 1 RB SUA; K F Stewart No. 1 Well, Stella Field, in Plaquemines Parish, Louisiana; and

WHEREAS, Hunt, et al further requests that the acreage be removed from commerce and unavailable for leasing until the June 14, 2017 Board Meeting or until an Operating Agreement is conected and approved by the Board, whichever occurs first; and

WHEREAS, the Staff of OMR, upon thorough review and consideration, recommended they be granted authority to negotiate the aforementioned;

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

NOW THEREFORE, BE IT RESOLVED that the Board does hereby grant authority to the Staff of OMR to negotiate the terms of an Operating Agreement covering approximately 0.338 unleased state acres being identified as Lots 16, 30, 35, and 39 within the L CRIS 1 RB SUA; K F Stewart No. 1 Well, Stella Field, in Plaquemines Parish, Louisiana;

BE IT FURTHER RESOLVED that the Board does hereby remove the acreage from commerce and it is unavailable for leasing until the June 14, 2017 Board Meeting or until an operating agreement is conected and approved by the Board, whichever occurs first.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



DAVID W. BOULET, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #17-05-007

Proposed New Lease Form -
Article 11 Lease Access
Board Adoption

(LEGAL & TITLE CONTROVERSY REPORT)

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

WHEREAS, pursuant to La. R.S. 30:129, the Board has full supervision over all mineral leases granted by the State and has the authority to take any action necessary regarding such leases for purposes of protecting the interest of the State; and

WHEREAS, pursuant to La. R.S. 30:132, the Attorney General is the attorney for the Board; and

WHEREAS, pursuant to La. R.S. 30:135, the Department of Natural Resources, through the Office of Mineral Resources, shall provide the necessary staff functions to assist the Board; and

WHEREAS, the Staff of the Office of Mineral Resources, the Department of Natural Resources Legal Division and the Attorney General's Office (all collectively referred to hereinafter as "Advisory Group") reviewed the August 2016 draft Lease in order to simplify and improve it; and

WHEREAS, at its April 12, 2017 meeting, the Board adopted Resolution No. 17-04-008, which set forth the dates on which the Board would consider the Advisory Group's recommended revisions, if any, to particular articles within the August 2016 draft Lease form; and


WHEREAS, the Advisory Group, after thorough review and consideration, submitted to the Board its recommended changes to the August 2016 draft of Article 11 entitled "Lease Access"; and

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby adopt in principle, the revision to the August 2016 draft of Article 11 entitled "Lease Access", as submitted by the Advisory Group.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



**W. PAUL SEGURA JR., CHAIRMAN
STATE MINERAL AND ENERGY BOARD**

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #17-05-008

Proposed New Lease Form –
Article 23 Executory Contracts
Board Adoption

(LEGAL & TITLE CONTROVERSY REPORT)

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

WHEREAS, pursuant to La. R.S. 30:129, the Board has full supervision over all mineral leases granted by the State and has the authority to take any action necessary regarding such leases for purposes of protecting the interest of the State; and

WHEREAS, pursuant to La. R.S. 30:132, the Attorney General is the attorney for the Board; and

WHEREAS, pursuant to La. R.S. 30:135, the Department of Natural Resources, through the Office of Mineral Resources, shall provide the necessary staff functions to assist the Board; and

WHEREAS, the Staff of the Office of Mineral Resources, the Department of Natural Resources Legal Division and the Attorney General’s Office (all collectively referred to hereinafter as “Advisory Group”) reviewed the August 2016 draft Lease in order to simplify and improve it; and

WHEREAS, at its April 12, 2017 meeting, the Board adopted Resolution No. 17-04-008, which set forth the dates on which the Board would consider the Advisory Group’s recommended revisions, if any, to particular articles within the August 2016 draft Lease form; and


WHEREAS, the Advisory Group, after thorough review and consideration, submitted to the Board its recommended changes to the August 2016 draft of Article 23 entitled “Executory Contracts”; and

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby adopt in principle, the revision to the August 2016 draft of Article 23 entitled “Executory Contracts”, as submitted by the Advisory Group.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



W. PAUL SEGURA JR., CHAIRMAN
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #17-05-009

Proposed New Lease Form -
Article 27 Multiple Originals
Board Adoption

(LEGAL & TITLE CONTROVERSY REPORT)

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

WHEREAS, pursuant to La. R.S. 30:129, the Board has full supervision over all mineral leases granted by the State and has the authority to take any action necessary regarding such leases for purposes of protecting the interest of the State; and

WHEREAS, pursuant to La. R.S. 30:132, the Attorney General is the attorney for the Board; and

WHEREAS, pursuant to La. R.S. 30:135, the Department of Natural Resources, through the Office of Mineral Resources, shall provide the necessary staff functions to assist the Board; and

WHEREAS, the Staff of the Office of Mineral Resources, the Department of Natural Resources Legal Division and the Attorney General's Office (all collectively referred to hereinafter as "Advisory Group") reviewed the August 2016 draft Lease in order to simplify and improve it; and

WHEREAS, at its April 12, 2017 meeting, the Board adopted Resolution No. 17-04-008, which set forth the dates on which the Board would consider the Advisory Group's recommended revisions, if any, to particular articles within the August 2016 draft Lease form; and


WHEREAS, the Advisory Group, after thorough review and consideration, submitted to the Board its recommended changes to the August 2016 draft of Article 27 entitled "Multiple Originals"; and

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby adopt in principle, the revision to the August 2016 draft of Article 27 entitled "Multiple Originals", as submitted by the Advisory Group.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



W. PAUL SEGURA JR., CHAIRMAN
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #17-05-010

Proposed New Lease Form -
Article 17 Title Disputes
Board Adoption

(LEGAL & TITLE CONTROVERSY REPORT)

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

WHEREAS, pursuant to La. R.S. 30:129, the Board has full supervision over all mineral leases granted by the State and has the authority to take any action necessary regarding such leases for purposes of protecting the interest of the State; and

WHEREAS, pursuant to La. R.S. 30:132, the Attorney General is the attorney for the Board; and

WHEREAS, pursuant to La. R.S. 30:135, the Department of Natural Resources, through the Office of Mineral Resources, shall provide the necessary staff functions to assist the Board; and

WHEREAS, the Staff of the Office of Mineral Resources, the Department of Natural Resources Legal Division and the Attorney General's Office (all collectively referred to hereinafter as "Advisory Group") reviewed the August 2016 draft Lease in order to simplify and improve it; and

WHEREAS, at its April 12, 2017 meeting, the Board adopted Resolution No. 17-04-008, which set forth the dates on which the Board would consider the Advisory Group's recommended revisions, if any, to particular articles within the August 2016 draft Lease form; and


WHEREAS, the Advisory Group, after thorough review and consideration, submitted to the Board its recommended changes to the August 2016 draft of Article 17 entitled "Title Disputes" excluding Paragraph A which the Board hereby requests suggested changes be resubmitted for Paragraph A at the June 14, 2017 Board Meeting for the Board's review; and

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby adopt in principle, the revision to the August 2016 draft of Article 17 entitled "Title Disputes", as submitted by the Advisory Group.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



W. PAUL SEGURA JR., CHAIRMAN
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #17-05-011

Proposed New Lease Form -
Article 26 Severability
Board Adoption

(LEGAL & TITLE CONTROVERSY REPORT)

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

WHEREAS, pursuant to La. R.S. 30:129, the Board has full supervision over all mineral leases granted by the State and has the authority to take any action necessary regarding such leases for purposes of protecting the interest of the State; and

WHEREAS, pursuant to La. R.S. 30:132, the Attorney General is the attorney for the Board; and

WHEREAS, pursuant to La. R.S. 30:135, the Department of Natural Resources, through the Office of Mineral Resources, shall provide the necessary staff functions to assist the Board; and

WHEREAS, the Staff of the Office of Mineral Resources, the Department of Natural Resources Legal Division and the Attorney General's Office (all collectively referred to hereinafter as "Advisory Group") reviewed the August 2016 draft Lease in order to simplify and improve it; and

WHEREAS, at its April 12, 2017 meeting, the Board adopted Resolution No. 17-04-008, which set forth the dates on which the Board would consider the Advisory Group's recommended revisions, if any, to particular articles within the August 2016 draft Lease form; and

WHEREAS, the Advisory Group, after thorough review and consideration, submitted to the Board its recommended changes to the August 2016 draft of Article 26 entitled "Severability"; and

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby adopt in principle, the revision to the August 2016 draft of Article 26 entitled "Severability", as submitted by the Advisory Group.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



W. PAUL SEGURA JR., CHAIRMAN
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #17-05-012

Proposed New Lease Form -
Article 24. Law and Forum
Board Adoption

(LEGAL & TITLE CONTROVERSY REPORT)

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

WHEREAS, pursuant to La. R.S. 30:129, the Board has full supervision over all mineral leases granted by the State and has the authority to take any action necessary regarding such leases for purposes of protecting the interest of the State; and

WHEREAS, pursuant to La. R.S. 30:132, the Attorney General is the attorney for the Board; and

WHEREAS, pursuant to La. R.S. 30:135, the Department of Natural Resources, through the Office of Mineral Resources, shall provide the necessary staff functions to assist the Board; and

WHEREAS, the Staff of the Office of Mineral Resources, the Department of Natural Resources Legal Division and the Attorney General's Office (all collectively referred to hereinafter as "Advisory Group") reviewed the August 2016 draft Lease in order to simplify and improve it; and

WHEREAS, at its April 12, 2017 meeting, the Board adopted Resolution No. 17-04-008, which set forth the dates on which the Board would consider the Advisory Group's recommended revisions, if any, to particular articles within the August 2016 draft Lease form; and


WHEREAS, the Advisory Group, after thorough review and consideration, submitted to the Board its recommended changes to the August 2016 draft of Article 24 entitled "Law and Forum"; and

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby adopt in principle, the revision to the August 2016 draft of Article 24 entitled "Law and Forum", as submitted by the Advisory Group.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



W. PAUL SEGURA JR., CHAIRMAN
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #17-05-013

Proposed New Lease Form –
EEOC Language Removal
Board Adoption

(LEGAL & TITLE CONTROVERSY REPORT)

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

WHEREAS, pursuant to La. R.S. 30:129, the Board has full supervision over all mineral leases granted by the State and has the authority to take any action necessary regarding such leases for purposes of protecting the interest of the State; and

WHEREAS, pursuant to La. R.S. 30:132, the Attorney General is the attorney for the Board; and

WHEREAS, pursuant to La. R.S. 30:135, the Department of Natural Resources, through the Office of Mineral Resources, shall provide the necessary staff functions to assist the Board; and

WHEREAS, the Staff of the Office of Mineral Resources, the Department of Natural Resources Legal Division and the Attorney General’s Office (all collectively referred to hereinafter as “Advisory Group”) reviewed the August 2016 draft Lease in order to simplify and improve it; and

WHEREAS, at its April 12, 2017 meeting, the Board adopted Resolution No. 17-04-008, which set forth the dates on which the Board would consider the Advisory Group’s recommended revisions, if any, to particular articles within the August 2016 draft Lease form; and


WHEREAS, the Advisory Group, after thorough review and consideration, submitted to the Board its recommendation that the “EEOC” language not be included in the August 2016 draft; and

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby adopt in principle, that the “EEOC” language not be included in the rewrite to the August 2016 draft, as submitted by the Advisory Group.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



W. PAUL SEGURA JR., CHAIRMAN
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

BHP Billiton Petroleum
(Americas), Inc request to
negotiate Operating
Agreement on former
SL #17732.

RESOLUTION #17-05-014

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request by BHP Billiton Petroleum (Americas), Inc. (BHP), requests that the State Mineral and Energy Board authorize the Staff of the Office of Mineral Resources to negotiate the terms of an Operating Agreement on unleased State acreage situated in Sections 29 and 30, Township 16 North, Range 11 West, Bossier Parish, Louisiana (former State Lease No. 17732 released by J-W Operating Company within the HA RA SU 127 and the CV RA SU 45, Elmwood Field, Bossier Parish, Louisiana);

WHEREAS FURTHER, BHP requests that the before mentioned unleased State acreage be removed from commerce and unavailable for leasing until the August 9, 2017 Board Meeting, or until an Operating Agreement is confected and approved by the Board, whichever occurs first;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby approve the foregoing request by BHP to negotiate an Operating Agreement;

BE IT FURTHER RESOLVED that the Board does hereby approve the request by BHP to remove the acreage from commerce, making it unavailable for leasing until the August 9, 2017 Board Meeting, or until an Operating Agreement is confected and approved by the Board, whichever occurs first.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



DAVID W. BOULET, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

#17-05-015

WAS NOT

UTILIZED

DURING THE

MAY 10, 2017

STATE MINERAL

AND ENERGY

BOARD MINUTES.

**e) DOCKET REPORT
May 10, 2017**

The Board heard the report of Emile Fontentot on Wednesday, May 10, 2017, relative to the following:

Category A: State Agency Leases
There were no items for this category

Category B: State Lease Transfers.
Docket Item Nos. 1 through 17

Category C: Department of Wildlife & Fisheries State Agency Lease Transfers
There were no items for this category

Category D: Advertised Proposals
Docket Item No. 1 through 4

for the May 10, 2017 Mineral Lease Sale. Based upon the staff's recommendation, on motion of **Mr. Arnold**, duly seconded by **Mr. Cordaro**, the Board voted unanimously to accept the following recommendations:

Category B: State Lease Transfers
Approve Docket Item Nos. 1 through 9, Approve Docket Item No. 10 subject to the approval of the Governor of Louisiana, Approve Nos. 11 through 16 and Approve No. 17. subject to the approval of the Governor of Louisiana

Category D: Advertise Proposals
Approve Docket Item Nos. 17-07 through 17-10, upon recommendation of the Legal and Title Controversy Review.

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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-016

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 1 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from Cypress Energy Corporation to O'Meara L.L.C., of all of Assignor's right, title and interest in and to State Lease No. 21704, St. Bernard Parish, Louisiana, with further particulars being stipulated in the instrument.

O'Meara L.L.C. is designated as the joint account Lessee (contact company) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-017

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from Chesapeake Louisiana, L.P., Chesapeake Plains, LLC and GSF, L.L.C. to Covey Park Gas LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 6111, 11155, 16530, 17126, 17127, 17732, 17734, 18096, 18181, 18245, 18276, 18371, 18396, 19695, 19787, 19789, 19791, 19834, 19928, 19929, 20038, 20146, 20234, 20273, 20337, 20355, 20446, 20619 and 20621, Bienville, Bossier, Caddo, DeSoto, Red River and Webster Parishes, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

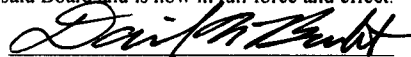
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-018

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from Oil Land Services, Inc. to Hilcorp Energy I, L.P., of all of Assignor's right, title and interest in and to State Lease No. 21690, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-019 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from Sam L. Banks to Helis Oil & Gas Company, L.L.C., of all of Assignor's right, title and interest in and to State Lease No. 18935, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-020

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from Encana Oil & Gas (USA) Inc to Australis TMS Inc., of all of Assignor's right, title and interest in and to State Lease No. 20550, East Feliciana and St. Helena Parishes, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-021

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from MOCO, Inc. of Mississippi and MOCO, Inc. Pension Plan to Hilcorp Energy I, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 8091 and 13470, St. Mary Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-022

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 7 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from D & D Drilling & Exploration, Inc. to Herschel J. Horton, of an undivided 2 5% interest in and to State Lease No 19930, Concordia Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

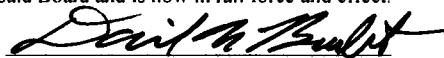
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-023

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 8 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from D & D Drilling & Exploration, Inc to Donald R Horton, Jr , of an undivided 2.5% interest in and to State Lease No 19930, Concordia Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-024

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 9 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from Cypress Energy Corporation to Trinity Exploration & Production, LLC, of all of Assignor's right, title and interest in and to State Lease No. 21724, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-025 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 10 from the May 10, 2017 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being an Assignment from Shoreline Southeast LLC to SLF SL Purchaser, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 344, 19095 and 20497, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

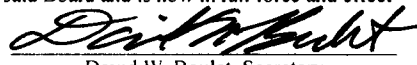
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

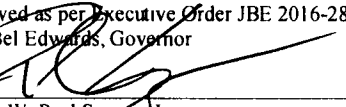
I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



David W. Boulet, Secretary
State Mineral and Energy Board

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

By



W. Paul Segara, Jr.

Chairman, State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-026

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 11 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from Shoreline Southeast LLC to SLF SL Purchaser, LLC, of all of Assignor's right, title and interest in and to State Lease No. 21340, Jefferson Davis Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, 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 or Secretary 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-027

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 12 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from SLF SL Purchaser, LLC to Krewe Energy, LLC, an undivided 50% interest in and to State Lease No. 2383, Lafourche Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease affects depths from the surface of the earth down through the stratigraphic equivalent of 11,445' in the Goodrich Oil Co – SL No 1 Well in and under only the geographical boundaries of the 10,500' RA SUA and the 9,600' RA SUA, with further particulars being stipulated in the instrument

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

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

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

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

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

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


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

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



David W Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-028

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 13 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from Shoreline Southeast LLC to SLF SL Purchaser, LLC, of all of Assignor's right, title and interest in and to Operating Agreement "A0317", Lafourche Parish, Louisiana, with further particular being stipulated in the instrument.

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-029

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 14 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from Shoreline Southeast LLC to SLF SL Purchaser, LLC, of all of Assignor's right, title and interest in and to State Lease Nos 19742, 19743 and 20198, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

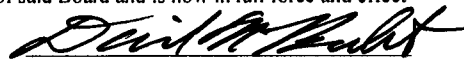
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



David W Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-030

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 15 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from Shoreline Southeast LLC to SLF SL Purchaser, LLC, of all of Assignor's right, title and interest in and to State Lease No. 368 and Operating Agreement "A0241", St. Mary Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-031 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 16 from the May 10, 2017 Meeting be approved, said instrument being an Assignment from Shoreline Southeast LLC to SLF SL Purchaser, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 2383, 20972, 20973, 21367, 21368, 21369, 21576, 21618, 21619 and Operating Agreement "A0360", Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-032

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17 from the May 10, 2017 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being a Change of Name whereby SLF SL Purchaser, LLC is merging with and into Marquis Resources, LLC, affecting State Lease Nos. 344, 368, 2383, 19095, 19742, 19743, 20198, 20497, 20972, 20973, 21340, 21576, 21618, 21619 and Operating Agreements "A0241", "A0317" and "A0360", Cameron, Jefferson Davis, Lafourche, Plaquemines and St. Mary 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.

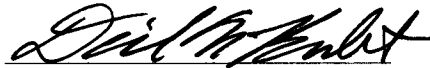
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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 or Secretary is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

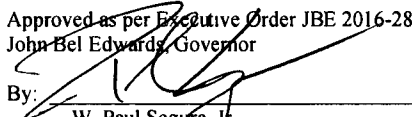
I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of May, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect



David W. Boulet, Secretary
State Mineral and Energy Board

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

By:



W. Paul Segura, Jr.

Chairman, State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-033 (DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17-07 from the May 10, 2017, Meeting be approved, said instrument being a Lease Amendment by and between the State Mineral and Energy Board and Upstream Exploration, LLC, whereas said parties desire to amend said lease noting that the current annual rental payment of \$8,418.00 applicable to each of years 1, 2 and 3 of the current Primary Term shall be increased to \$16,836.00 for the 4th year of the primary term, and the current royalty percentage of 22.5% shall be increased to 23% from August 13, 2017 through the remaining life of the lease, affecting State Lease No. 21481, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-034
(DOCKET REVIEW COMMITTEE)


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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17-08 from the May 10, 2017, Meeting be approved, said instrument being a Lease Amendment by and between the State Mineral and Energy Board and Upstream Exploration, LLC, whereas said parties desire to amend said lease noting that the current annual rental payment of \$2,208.00 for years 1, 2 and 3 of the current Primary Term will remain the same \$2,208.00 for the 6 months of the extended Primary Term, and the current royalty percentage of 22.5% shall be increased to 23% from August 13, 2017 through the remaining life of the lease, affecting State Lease No. 21476, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-035
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17-09 from the May 10, 2017, Meeting be approved, said instrument being a Lease Amendment by and between the State Mineral and Energy Board and Upstream Exploration, LLC, whereas said parties desire to amend said lease noting that the current annual rental payment of \$17,112.00 for years 1, 2 and 3 for the current Primary Term will remain the same \$17,112.00 for the 6 months extension of the Primary Term, and the current royalty percentage of 22.5% shall be increased to 23% from August 13, 2017 through the remaining life of the lease, affecting State Lease No. 21474, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #17-05-036
(DOCKET REVIEW COMMITTEE)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17-10 from the May 10, 2017, Meeting be approved, said instrument being a Lease Amendment by and between the State Mineral and Energy Board and Upstream Exploration, LLC, whereas said parties desire to amend said lease noting that the current annual rental payment of \$15,732.00 applicable to each of years 1, 2 and 3 of the current Primary Term shall be increased to \$31,464.00 for the 4th year of the primary term, and the current royalty percentage of 22.5% shall be increased to 23% from August 13, 2017 through the remaining life of the lease, affecting State Lease No. 21473, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to 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 May, 2017 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board

The Chairman stated that the next order of business was discussions in Executive Session to consider matters before the Board which were confidential in nature. Upon motion of Mr. Arnold, seconded by Ms. LeBlanc, the Board Members went into Executive Session at 11:08 a.m.

Upon motion of Mr. Hollenshead, seconded by Mr. Arnold, the Board reconvened in open session at 11:52 a.m. for consideration of the following matters discussed in Executive Session:

a) A discussion regarding the litigation entitled: Yuma Exploration & Production Co., Inc. v. State Mineral Board, Docket No 55891, Division B, 25th Judicial District Court, Plaquemines Parish

Upon motion of Mr. Harris, seconded by Mr. Arnold, the Board voted unanimously to grant authority to the Attorney General's office to reject the settlement offer by Delacroix and to negotiate terms as discussed in Executive Session. No comments were made by the public.

b) A discussion regarding the litigation entitled: Duncan Oil, Inc. v. State, Docket No. 2014-4513-D, 14th Judicial District Court, Calcasieu Parish; Docket No. 16-988, 3rd Circuit Court of Appeal

Upon motion of Mr. Arnold, seconded by Mr. Hollenshead, the Board voted unanimously to grant authority to the Attorney General's office to proceed as discussed in Executive Session. No comments were made by the public.

c) A discussion regarding settlement of outstanding audit issues with ChevronTexaco, Texaco E&P Inc. and Unocal

This matter was a discussion, and no action by the Board was required.

d) A discussion regarding an offer of a compromise via Communitization Agreement by Hilcorp affecting State Lease Nos. 2227 and 21687, in the MQ RB SUA, West Delta Block 83 Field, Plaquemines Parish, LA

Upon motion of Ms. LeBlanc, seconded by Mr. Haik, the Board voted unanimously to grant authority to the Attorney General's office to evaluate the offer and to negotiate as discussed in Executive Session. No comments were made by the public.

e) A presentation of a settlement offer from Stone Energy Corporation regarding royalty audit for the period July 2011 – December 2014

Upon motion of Ms. LeBlanc, seconded by Mr. Haik, the Board voted unanimously to grant authority to the Attorney General's office to accept the proposed settlement offer as discussed in Executive Session. No comments were made by the public.

f) Technical Briefing on Bids

The Board was briefed on the bids received at today's lease sale.

* Executive Session Resolution(s) will immediately follow this page.

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 17-05-037

(EXECUTIVE SESSION)

Executive Session
Discussion
Yuma Exploration &
Production Co., Inc. v.
State Mineral Board,
Docket No 55891, Division
B, 25th Judicial District
Court, Plaquemines Parish

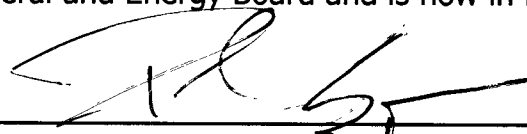
WHEREAS, a discussion was held in Executive Session regarding the litigation entitled: Yuma Exploration & Production Co., Inc. v. State Mineral Board, Docket No 55891, Division B, 25th Judicial District Court, Plaquemines Parish;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's office to reject the settlement offer by Delacroix and to negotiate terms as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



W. PAUL SEGURA / CHAIRMAN
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 17-05-038

(EXECUTIVE SESSION)

Executive Session
Discussion
Duncan Oil, Inc. v. State,
Docket No. 2014-4513-D,
14th Judicial District Court,
Calcasieu Parish; Docket
No. 16-988, 3rd Circuit
Court of Appeal

WHEREAS, a discussion was held in Executive Session regarding the litigation entitled: Duncan Oil, Inc. v. State, Docket No. 2014-4513-D, 14th Judicial District Court, Calcasieu Parish; Docket No. 16-988, 3rd Circuit Court of Appeal;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's office to proceed as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



W. PAUL SEGURA, CHAIRMAN
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 17-05-039

(EXECUTIVE SESSION)

Executive Session Discussion
Offer of Compromise
Re: Communitization
Agreement by Hilcorp affecting
State Lease Nos. 2227 and
21687, in the MQ RB SUA,
West Delta Block 83 Field,
Plaquemines Parish, LA

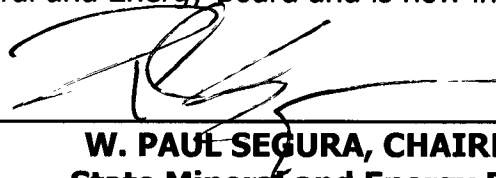
WHEREAS, a discussion was held in Executive Session regarding an offer of a compromise via Communitization Agreement by Hilcorp affecting State Lease Nos. 2227 and 21687, in the MQ RB SUA, West Delta Block 83 Field, Plaquemines Parish, LA;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's office to evaluate the offer and to negotiate as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



W. PAUL SEGURA, CHAIRMAN
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Settlement Offer
Re: Stone Energy Corporation
Royalty Audit
(July 2011–December 2014)

RESOLUTION # 17-05-040

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding a presentation of a settlement offer from Stone Energy Corporation regarding royalty audit for the period July 2011 – December 2014;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's office to accept the proposed settlement offer as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of May, 2017 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



W. PAUL SEGURA, CHAIRMAN
State Mineral and Energy Board

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

Mr. Talbot stated that Staff recommends that all bids be accepted.

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

1. Award a lease on a portion of Tract 44704, said portion being 152 acres more particularly described in said bid and outlined on accompanying plat, to HILCORP ENERGY I, L.P.
2. Award a lease on a Tract 44712 to SENTRY ENERGY SERVICES, LLC
3. Award a lease on a Tract 44715 to SENTRY ENERGY SERVICES, LLC
4. Award a lease on a portion of Tract 44726, said portion being 400 acres more particularly described in said bid and outlined on accompanying plat, to HOUSTON ENERGY, L.P.

Leases awarded were conditioned on tract descriptions being accurate, overlapped prior leases being subtracted from acreage bid on, acreage amount being verified and agreed between bidder and state and portion bids verified as being located within advertised boundary of tracts. (No public comment was made at this time.)

This concluded the awarding of the leases.

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

There was no new business discussed.

The following announcements were then made:

Mr. Boulet stated that there were four (4) leases awarded totaling \$169,770.00 for the May 10, 2017 Lease Sale.

He advised the Board that Staff had sent out notices of the Force Majeure Memorandum prior to May 1, 2017 and that it was also posted on our website.

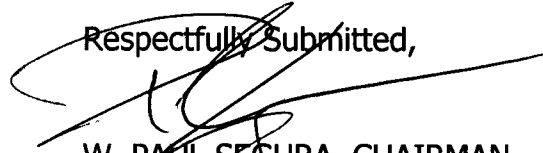
He reminded the Board that their Financial Disclosure Statements were due by May 15, 2017.

He advised the Board that they would receive an email with the link to the Quarterly Report.

Mr. Boulet announced that he was leaving the Office of Mineral Resources to return to the private sector.

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Haik, seconded by Mr. Cordaro, the meeting was adjourned at 12:01 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'W. Paul Segura', is written over the text 'Respectfully Submitted,'. The signature is stylized and somewhat cursive.

W. PAUL SEGURA, CHAIRMAN
State Mineral and Energy Board