



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

TO: State Mineral and Energy Board Members

FROM: Victor M. Vaughn 
Geologist Administrator
Geological & Engineering Division

DATE: December 14, 2011

Lease Review Committee Agenda

The regular meeting of the Lease Review Committee of the State Mineral and Energy Board is scheduled to be held on Wednesday, December 14, 2011 at 9:30 am in the La Belle Room, First Floor, LaSalle Building located at 617 North Third Street, Baton Rouge, Louisiana.

I. Geological and Engineering Staff Review

According to SONRIS there are 1869 active State Leases covering nearly 842,000 acres. The Geological and Engineering Division has reviewed approximately 160 leases covering 72,000 acres.

II. Committee Review

1. A staff report on **State Lease 328-A**, Bay Baptiste/Lirette Field Selection, Terrebonne and Lafourche Parishes. Hilcorp Energy I, L.P. is the lessee.
2. A staff report on **State Leases 1450, 1451 and 1480**, Lake Raccourci Field, Terrebonne and Lafourche Parishes. ExxonMobil is the lessee.
3. A staff report on **State Lease 173** Caddo Pine Island Field, Caddo Parish. Gemini and Rock Well Petroleum are lessees.

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

Pursuant to the Mineral and Energy Board resolution dated March 10, 2010, the staff qualified the HA RA SUGG; Dupree 24H Well No. 1, Serial Number 242545, in Gahagan Field to allow MRC Energy Company to make one six month shut-in payment on a portion of SL 20157 beginning October 14, 2011 while pipeline construction is being completed.

IV. Report on Force Majeure

1. Staff requests that the Board recognize a force majeure condition beginning September 8, 2011 for WLE, Inc. affecting SL 12608 caused by low water in Crocodile Bayou preventing oil barges from reaching facility so that WLE can sell oil now that tanks are full.
2. Staff requests that the Board recognize a force majeure condition beginning December 10, 2011 for Bay Gas, L.L.C. affecting SL 19930 caused by rising river water levels in the Mississippi River preventing the safe continuous access to the proposed drilling location.

3. Staff requests that the Board recognize a force majeure condition for Apache affecting SL 19957 due to delays caused by hunting season preventing the completion of dredging operations and moving in a rig to beginning drilling operations.
4. Staff requests that the Board extend the Board's force majeure recognition for IG Petroleum by 3 months to the March 14, 2012 Board Meeting to re-establish production or complete pipeline negotiations.

Updated 12/01/2011

Company Name	Lease Numbers
Leases Off Production Due to Non-storm Related Force Majeure Events	
Apache	19957
Bay Gas LLC	19930
IG Petroleum	A0232
Harvest	A0311
Stone Energy	10830, 15074, 17309, 17595, A0285
WLE, Inc.	12608

The Committee may discuss other matters as it desires pursuant to R.S. 42:7(A)(1)(b)(ii) as well as Executive Session matters pursuant to R.S. 42:6.1(A)(2) and R.S. 42:6.1(A)(6).