

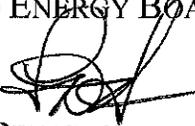
BOBBY JINDAL
GOVERNOR



SCOTT A. ANGELLE
SECRETARY

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

TO: STATE MINERAL AND ENERGY BOARD MEMBERS

FROM: FREDERICK D. HECK 
PETROLEUM LANDS DIRECTOR
OFFICE OF MINERAL RESOURCES

DATE: DECEMBER 14, 2011

LEGAL AND TITLE CONTROVERSY COMMITTEE AGENDA

The regular meeting of the Legal and Title Controversy Committee of the State Mineral and Energy Board will be held on December 14, 2011, following the Audit Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building located at 617 North Third Street, Baton Rouge, Louisiana.

Items on the Agenda are as follows:

1. A request for final approval of an Operating Agreement presented by and between the State Mineral and Energy Board and Walter Oil & Gas Corporation, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 25% before payout, increasing to 26% after payout in and to the Operating Tract, whereas Operator desires and intends to re-establish production from the "VUA; State Lease No. 1 Well (SN 242622)", Cameron Parish, Louisiana, containing 489.1611 acres, more or less, covering a portion of former State Lease Nos. 20349 and 20350, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 11-43.
2. A request for final approval of a Lease Amendment by and between the State of Louisiana, through the State Mineral and Energy Board and Apache Corporation, whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 988, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 11-45.

3. A request for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Apache Corporation, whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease No. 3401, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 11-46.
4. A request for final approval of a Lease Amendment by and between the State of Louisiana, through the Louisiana State Mineral and Energy Board and Apache Corporation, whereas said parties desire to amend said lease to include a Force Majeure Provision and other required clauses, affecting State Lease Nos. 3771 and 3773, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 11-47.
5. A request for final approval of a Second Amendment to that certain Unitization Agreement, effective May 14, 2008, by and between the State Mineral and Energy Board, Bamboo Investments, LLC, J & S Oil & Gas, LLC, Lewiston Atlas, Ltd., Madison, LLC, Stokes & Spiehler, Inc. and XPLOR Energy SPV-1, whereas said parties desire to amend said Unitization Agreement to contain those certain tracts of land comprising all or portions of State Lease Nos. 18423, 18521, 18524, 19031, 19190 and 19292 and 20473, containing approximately 1,134.79 acres as depicted and shown more clearly on the plat attached hereto and made a part hereof as Exhibit "A", also the tracts and surface areas in each and the percentages of participation in each tract are also hereby amended and shown on the attached Exhibit "A", affecting State Lease Nos. 18423, 18521, 18524, 19031, 19190, 19292 and 20473, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 11-49.
6. A request for final approval of an Operating Agreement by and between the State Mineral and Energy Board and Hilcorp Energy I, L.P., to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the State a State Production Interest equal to 23% before payout, increasing to 25% after payout, in and to the Operating Tract, whereas Operator desires and intends to re-establish production from the VU16;BSE U16 Well No. 8 Well (SN 141966), containing 39.564 acres, more or less, covering Former State Lease No. 18408, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument, on the docket as Item No. 11-51.

7. A request by Saratoga Resources, Inc. to extend the primary term of State Lease Nos. 19971, 19967, 19968, and 19969 for an additional two (2) years wherein Saratoga would pay the bonus for each lease for the first year of the extension and increase the royalty by one-half percent for each lease.
8. A request by Apache Corporation for an Operating Agreement covering 720 acres located in Rigolets Field which was previously comprised of acreage contained in former State Lease Nos. 6646 and 6647.
9. A request by PetroQuest Energy, L.L.C. to escrow royalties attributable to title-disputed acreage on State Lease No. 20181.
10. A request by ExPert Oil & Gas, L.L.C. to negotiate with Staff for an Operating Agreement on State Lease No. 19896 acreage included in the Lorio RC SUA created by the Office of Conservation No. 596-A-6. Due to the fact that an estimated 1.10 acres of the Lorio Unit, Iberville Parish, will be effected by the expiration of the primary term of State Lease No. 19896 on December 10, 2011, Expert Oil & Gas, L.L.C. also requests that any acreage covered by State Lease No. 19896 be deemed unavailable for leasing while negotiations are ongoing for a period not to exceed the date of the third Mineral and Energy Board Meeting after the Board has authorized negotiations.
11. A request by LLOG Exploration Company, L.L.C. to escrow royalties on disputed acreage as it pertains to State Lease No. 19639, located in Vermillion Parish.
12. A request by Staff for approval of minor changes to language contained in the Louisiana Running Surface Water Use Cooperative Endeavor Agreement form.
13. A request by McMoRan for an extension of time in which to plug and abandon Well No. 226623 in accordance with the provisions of State Lease No. 14561, until June 30, 2012.
14. A discussion in executive session of the offers/counter offers made regarding Chesapeake Louisiana, L.P.'s request for an Operating Agreement covering a total of +/- 899 acres located in Sections 13, 14, 15, 23 and 24, T14N, R12W, DeSoto and Red River Parishes, Louisiana, portions of which are in title controversy with the Albrittons. This matter has resulted in the filing of a Complaint by Chesapeake entitled: Chesapeake Louisiana, L.P. v. State of Louisiana, et al, Suit No. 3:11-CV-00772-BAJ-SCR, United States District Court, Middle District of Louisiana.

15. A discussion in executive session of suit entitled: Devon Energy Production Company, L.P. v. Gail Norton, et al, Civil Action No. 04-2093, United States District Court, Western District of Louisiana.
16. A discussion in executive session regarding a concursus petition entitled: Chesapeake v. State Mineral and Energy Board, et al, Suit No.35483, 39th Judicial District Court, Red River Parish. This petition was filed as a result of a dual claim to minerals between the State and private land owners.

The Committee may discuss other matters as it desires pursuant to La. R.S. 42:7(A)(1)(b)(ii), including matters which may validly be held in executive session pursuant to La. R. S. 42:6, especially 42:6(1)(A)(2)&(6).
