



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 *omr*
Geologist Administrator
Geological & Engineering Division

DATE: April 11, 2012

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, April 11, 2012 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 1885 active State Leases covering nearly 845,000 acres. The Geological and Engineering Division has reviewed approximately 185 leases covering 120,000 acres.

II. Committee Review

1. A staff report on **State Leases SLs 2220, 2221, 4039 and 4147**, Eloi Bay and or Half Moon Lake Fields, Plaquemines and St. Bernard Parishes. Cox Operating L.L.C. is the operator.
2. A staff report on **State Leases 797 and 799**, Grand Isle, Blocks 18 and 16 Fields, Jefferson, Lafourche and Plaquemines Parishes. Energy XXI GOM, LLC is the lessee.
3. A staff report on **State Leases 1450, 1451 and 1480**, Lake Raccourci Field, Jefferson and Lafourche Parishes. Hilcorp Energy I, L.P. has a farm-out from ExxonMobil Corporation.
4. A staff report on **State Lease 199-A-1**, Bay St. Elaine Field, Selection, Designated Area, Terrebonne Parish. Hilcorp Energy I, L.P. is the operator.
5. A staff report on **State Lease 724**, Four Isle Dome Field. Terrebonne Parish. Hilcorp Energy I, L.P. is the operator.
6. A staff report on **State Leases 3762 and 3763**, Vermilion Block 16 Field. Vermilion Parish. Harvest Oil & Gas, LLC is the operator.

III. Force Majeure

Staff requested Stone Energy appear before the Board to explain why production remains off production for more than 1 year and what is being done to alleviate the problem. All leases and the operating agreement have language stating that the force majeure recognition may only be extended by the Board. This action is consistent with past force majeure events.

Staff requests that the Board's previous force majeure recognition for Harvest Operating LLC affecting SL 12002 be extended until the July 11, 2012 Board meeting to re-establish production or complete pipeline repairs and facility connections.

Updated 3/29/2012

Company Name	Lease Numbers
Leases Off Production Due to Non-storm Related Force Majeure Events	
Bay Gas LLC	19930
Chevron	19534, 19536, 19547
The Harvest Group LLC	A0311
Harvest Operating LLC	12002
Stone Energy	15074, 17309, A0285

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).