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**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: May 9, 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, May 9, 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 1880 active State Leases covering nearly 842,000 acres. The Geological and Engineering Division has reviewed approximately 125 leases covering 58,000 acres.

**II. Committee Review**

1. A staff report on **State Lease 335-B**, Delta Duck Club Field Selection located in Plaquemines Parish. Texas Petroleum Investment Company (TPIC) is the lessee.
2. A staff report on **State Lease 340-H**, Cote Blanche Island Field Selection, Iberia Parish. Swift Energy Operating, LLC is the lessee.
3. A staff report on **State Leases 3306 and 4011**, Redfish Point Field located in Vermilion Parish. Hilcorp Energy I, LP is the lessee.
4. A staff report on **State Lease 173**, Caddo Pine Island Field, Caddo Parish. Gemini and Rock Well Petroleum are lessees.
5. A staff report on **State Leases 3762 and 3763**, Vermilion Block 16 Field. Vermilion Parish. Harvest Oil & Gas, LLC is the operator.

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

No Objection to 29-E Waiver, Forza Operating, LLC, SL 18521 Well No 2D, SN 239090 and SL 18423 Well No. 6, SN 244198, Creole Offshore Field, Cameron Parish affecting State Leases 18521 and 18423.

No Objection to a 29-E Waiver and Royalty Escrow Request, Alta Mesa Services, LP-Goodrich Cocke Well No. 3, SN 219556, Weeks Island Field, Iberia Parish affecting State Leases 15612, 19943 and 20428.

### IV. Well Qualification (In Absence of a Well Test)

Apache Corporation has requested to qualify a well to make a shut-in payment in the absence of a well test, VUA; SL 20255 Well No. 1. This matter affects SL 19957, 20255, 20689, 20690, 20692, & 20693. SL 19957 is the only lease beyond its primary term and terminates July 3, 2012. The reason for this request is that production facility is not in place to receive production and tubing is on special order from the mill and won't be available until September, 2012 which would be beyond the 90 day period after the cessation of downhole operations. Once the tubing is on-hand Apache will proceed with completion of the well. This is not a horizontal Haynesville well and is not covered by that prior resolution.

### V. Report on Force Majeure

Updated 5/1/2012

Company Name	Lease Numbers
<b>Leases Off Production Due to Non-storm Related Force Majeure Events</b>	
Bay Gas LLC	19930
Chevron	19534, 19536, 19547
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).