



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 *vmv*
Geologist Administrator
Geological & Engineering Division

DATE: May 8, 2013

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 8, 2013 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 1,862 active State Leases covering almost 800,000 acres. The Geological and Engineering Division has reviewed 144 leases covering approximately 91,000 acres.

II. Committee Review

1. A staff report on **State Lease 195-C**, Quarantine Bay Field, Plaquemines and St. Bernard Parishes. Cox Operating L.L.C. is the operator.
2. A staff report on **State Lease 724**, Four Isle Dome Field, Terrebonne Parish. Hilcorp Energy I, L.P. is the operator.
3. A staff report on **State Lease 173**, Caddo Pine Island Field, Caddo Parish. Rock Well Petroleum (U.S.), Inc. / AlphaPetroVision (U.S.) Inc. / APV Caddo Pine LLC and Gemini Explorations, Inc.

III. Appearances

4. An appearance has been scheduled for Hilcorp Energy I, LP to discuss **State Lease 1170**, Hog Bayou-Offshore Field, Cameron Parish.
5. An appearance by Harvest Oil & Gas, LLC to discuss **State Leases 3762, 3763 and 17156**, Vermilion Block 16 Field, Vermilion Parish.

IV. Force Majeure

Please see May 1, 2013 Force Majeure Memorandum to State Lease Operators following this page.

Energy Partners (EPL of Louisiana, L.L.C.) requests recognition of force majeure due to rig availability for a period of 3 months until the August 14, 2013 meeting for State Lease 20345 in Plaquemines Parish.

Updated 04/22/2013

Company Name	Lease Numbers
Leases Off Production Due to Non-Storm Related Force Majeure Events	
Black Elk Energy	14905 (June)
Chevron U. S. A. Inc.	19534, 19536, 19547 (September)
EPL of Louisiana, L.L.C.	20345 (NEW)
Energy Properties Inc.	725 (September)
Saratoga / The Harvest Group, LLC	A0311 (June)
Stone Energy Offshore, L.L.C.	15074, 17309, A0285 (July)
Sylvan Energy	1337 (July)

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).

May 1, 2013

For Informational Purposes No Action Is Required at this Time

Memorandum to State Lease Operators
Force Majeure

The Hurricane season will be beginning June 1, 2013 and the Office of Mineral Resources would like to remind our lessees to be sure to review the State Mineral and Energy Board policy on force majeure. If there is a need to report a force majeure condition affecting your state lease, you will be prepared to move through the process quickly.

There is a "How-To" guide for reporting force majeure events on the Office of Mineral Resources' portion of the Department of Natural Resources website (www.dnr.la.gov). The guide will instruct you what to submit and provides copies of the force majeure policy, the sample lease amendment, affidavit, and spreadsheet to assist with reporting.

The short version goes like this:

1. Report all state leases that are shut-in as a result of the storms or for other circumstances described in your lease within 90 days of the event. Be aware, there are a few leases which have 60 day provisions. Be sure to read your lease form.
2. All new reports should be submitted using the online Force Majeure reporting system. Links to this system can be found in the "How to Report Force Majeure" section of our website.
3. All leases that do not include the force majeure language need to be amended to include the current language. Copies of a sample lease amendment are on the website.
4. State leases containing force majeure language, but the cause of the damage, delay, or cessation of operations or production is not covered under the language in the lease, should be treated as if there is no force majeure language in the lease and the lessees/operator should begin the process of amending the lease to include the new force majeure clause.
5. Lessees/operators of leases with provisions to make shut-in and in-lieu royalty payments for oil or gas well(s) on or affecting the lease are required to make shut-in payments in a timely manner. However, the well must be qualified by the OMR staff prior to the beginning first payment period (normally this is 90 days after the well is shut-in.)
6. On the 1st of each calendar month please submit a monthly status report of all leases shut-in as a result of the force majeure conditions. These reports can be made by email to Charles.Bradbury@la.gov. As wells come back on production, you can submit the spreadsheet updated for the date production is restored.

Please contact me if you have any further questions.

Charles Bradbury
Office of Mineral Resources
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