

**STATE MINERAL AND ENERGY BOARD  
DOCKET REVIEW COMMITTEE**

**ITEMS REQUIRING BOARD APPROVAL**

**SEPTEMBER 11, 2013**

**A. STATE AGENCY LEASES  
SEPTEMBER 11, 2013**

La. R.S. 30:151 identifies the term “agency” as a levee district, drainage district, road district, school district, school board, or other board, commission, parish, municipality, state university, state college, state penal or charitable institution or agency, unit or institution of the state or subdivision thereof.

La. R.S. 30:155 provides that, if an agency doesn’t want the Mineral and Energy Board to do its mineral leasing, it may do its own mineral leasing, the lease given must still be approved by the State Mineral and Energy Board under R.S. 30:158.

La. R.S. 30:156 provides that, if an agency wants to mineral lease its own property, it must follow the same leasing process as the State does, including advertising, sealed bids, etc.

La. R.S. 30:158 provides that, if a mineral lease given by an agency of its own property is not approved by the Mineral and Energy Board, it is an absolutely void lease.

Pursuant to the above statutory authority, listed below are leases given by state agencies and submitted for State Mineral and Energy Board approval. The staff examines the documents submitted to make sure that the agency follows all of the steps this office goes through in leasing State owned acreage and that the document has been properly notarized.

1. STATE AGENCY LEASE (A) PLAQUEMINES PARISH,  
LOUISIANA

An Oil, Gas and Mineral Lease from the Plaquemines Parish Government, dated July 11, 2013, awarded to Oil Land Services, Inc., covering lands located in Section 18, Township 20 South, Range 28 East, Plaquemines Parish, Louisiana, containing 40 acres, more or less, with further contractual obligations being more enumerated in the instrument.

<b>BIDDER AND LESSEE</b>	: Oil Land Services, Inc.
<b>BONUS</b>	: \$11,320.00 (\$283.00/acre)
<b>RENTAL</b>	: \$5,660.00
<b>ROYALTIES</b>	: 25% on oil, gas and other minerals
<b>TERM</b>	: Three years

There was only one bid submitted. (Current rider attached)

**A. STATE AGENCY LEASES  
SEPTEMBER 11, 2013**

2. STATE AGENCY LEASE (B) PLAQUEMINES PARISH,  
LOUISIANA

An Oil, Gas and Mineral Lease from the Plaquemines Parish Government, dated July 11, 2013, awarded to Oil Land Services, Inc., covering lands located in Sections 13 and 18, Township 20 South, Range 28 East, Buras Levee District, Plaquemines Parish, Louisiana, with further contractual obligation being more enumerated in the instrument.

<b>BIDDER AND LESSEE</b>	: Oil Land Services, Inc.
<b>BONUS</b>	: \$62,260.00 (\$283.00/acre)
<b>RENTAL</b>	: \$31,130.00
<b>ROYALTIES</b>	: 25% on oil, gas and other minerals
<b>TERM</b>	: Three years

There was only one bid submitted. (Current rider attached)

3. STATE AGENCY LEASE (C) LAFOURCHE PARISH,  
LOUISIANA

An Oil, Gas and Mineral Lease from the Lafourche Parish School Board, dated June 5, 2013, awarded to ORX Exploration, Inc., covering lands located in Section 72, Township 17 South, Range 19 East, Lafourche Parish, Louisiana, containing 5.12 acres, more or less, with further contractual obligations being more enumerated in the instrument.

<b>BIDDER AND LESSEE</b>	: ORX Exploration, Inc.
<b>BONUS</b>	: \$1,280.00 (\$250.00/acre)
<b>RENTAL</b>	: \$1,280.00
<b>ROYALTIES</b>	: 25% on oil, gas and other minerals

There was only one bid submitted. (Current rider attached)

**B. STATE LEASE TRANSFERS  
SEPTEMBER 11, 2013**

**La. R.S. 30:128 (A)** provides that no transfer or assignment in relation to any lease of minerals or mineral rights owned by the state shall be valid unless approved by the State Mineral and Energy Board. Additionally, transfers or assignments shall not be granted to prospective leaseholders that are not currently registered with the office of mineral resources.

This section deals with such transfers of interest in state mineral leases in the form of assignments of rights, subleases, and stipulations of interest. It also deals with transfers such as mergers or changes of names, which act as an assignment of interest to the newly named or emerging entity from a merger. Accompanying each of the items submitted in this section was an Ownership Transfer Form (formerly called a Form B) listing the pre-transfer ownership interest in the lease and the post-transfer ownership interest. Each document is carefully checked by the staff to ensure that the interest transfer figures are consistent, that our ownership records are complete and that all form requirements are met.

1. ASSIGNMENT

STATE LEASE NOS. 20924,  
20925, 20926, 20927, 20928,  
20929, 20930, 20931, 20932,  
20960, 20976, 21078 and 21079,  
Assumption, Iberia and St. Martin  
Parishes, Louisiana

An Assignment from Theophilus Oil, Gas & Land Services, LLC. to McMoRan Oil & Gas LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 20924, 20925, 20926, 20927, 20928, 20929, 20930, 20931, 20932, 20960, 20976, 21078 and 21079, Assumption, Iberia and St. Martin Parish, Louisiana, with further particulars being stipulated in the instrument.

McMoRan Oil & Gas LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

2. ASSIGNMENT

STATE LEASE NO. 21181,  
Cameron Parish, Louisiana

An Assignment from ProLand, LLC to Lake Ronel Oil Company, all of Assignor's right, title and interest in and to State Lease No. 21181, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

Lake Ronel Oil Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

**B. STATE LEASE TRANSFERS  
SEPTEMBER 11, 2013**

3. ASSIGNMENT STATE LEASE NO. 21180,  
Calcasieu Parish, Louisiana

An Assignment from ProLand, LLC to Lake Ronel Oil Company, of all of Assignor's right, title and interest in and to State Lease No. 21180, Calcasieu Parish, Louisiana, with further particulars being stipulated in the instrument.

Lake Ronel Oil Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

4. ASSIGNMENT STATE LEASE NOS. 19202,  
19203, 19204, 19205, 19206,  
and 19232,  
Lafourche and St. Charles Parishes,  
Louisiana

An Assignment from Gary Alhadeff, DDS, husband of and Leesa Ratliff Alhadeff, BKRK Investments, Ltd., Rene Davis Davenport, legally separated from Alan Davenport, Duplantis Resources, LLC, Jay Fountain, husband of and Kathy Krueger Fountain, Ronju Energy, Inc., Robert L. Lankford, husband of and Mary Beth Bauer Lankford, Nemesis Partners, Inc., Royal Wolf III, L.P., TOCS Mineral Properties, LLC and John Wright, husband of and Sheila Wright to Ironstone Energy, LLC, of all of Assignor's working interest in and to State Lease Nos. 19202, 19203, 19204, 19205, 19206 and 19232, Lafourche and St. Charles Parishes, Louisiana, with further particulars being stipulated in the instrument.

Ironstone Energy, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

5. ASSIGNMENT STATE LEASE NO. 20428,  
Iberia Parish, Louisiana

An Assignment from Stone Energy Offshore, LLC, of all of Assignor's interest to the following in the proportions set out below:

Goodrich Leasehold, LLC	4.6875% of 8/8ths
Goodrich Management Company, Inc.	3.1250% of 8/8ths
KB Energy, LLC	4.6875% of 8/8ths

in and to State Lease No. 20428, Iberia Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** State Lease No. 20428 covers lands lying within the geographic boundaries of the S RF SUA Unit, with further particulars being stipulated in the instrument.

Louisiana Onshore Properties, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

**B. STATE LEASE TRANSFERS  
SEPTEMBER 11, 2013**

6. ASSIGNMENT STATE LEASE NOS. 21193, 21194, 21195, 21196, 21197, 21198, 21199 and 21200,  
Caddo Parish, Louisiana

An Assignment from HEP Energy, Inc. to Anadarko E&P Onshore LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 21193, 21194, 21195, 21196, 21197, 21198, 21199 and 21200, Caddo Parish, Louisiana, with further particulars being stipulated in the instrument.

Anadarko E&P Onshore LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

7. ASSIGNMENT STATE LEASE NO. 20805,  
Plaquemines Parish, Louisiana

An Assignment from Westgrove Energy Holdings, LLC, of all of Assignor's right, title and interest to the following in the proportions set out below:

Discover E&P LLC	25.00%
RHS Enterprises, LLC	25.00%
LLOG Exploration Company, L.L.C.	25.00%
LLTX, L.L.C.	25.00%

in and to State Lease No. 20805, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Discover E&P LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

8. ASSIGNMENT STATE LEASE NOS. 21206 and 21207, Terrebonne Parish, Louisiana

An Assignment from Cypress Energy Corporation to Houston Energy, L.P., of all of Assignor's right, title and interest in and to State Lease No. 21206 and 21207, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Houston Energy, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

**B. STATE LEASE TRANSFERS  
SEPTEMBER 11, 2013**

9. ASSIGNMENT STATE LEASE NOS. 21082,  
21083 and 21084,  
Plaquemines Parish, Louisiana

An Assignment from Oil Land Services, Inc. to Hilcorp Energy Company, of all of Assignor's right, title and interest in and to State Lease Nos. 21082, 21083 and 21084, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Hilcorp Energy Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

10. ASSIGNMENT STATE LEASE NO. 1212,  
Plaquemines Parish, Louisiana

An Assignment from The Bass Partnership to Westgrove Energy Holdings, LLC, of all of Assignor's right, title and interest in and to State Lease No. 1212, Plaquemines Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is situated within the confines of that certain unit created by Flare Resources Inc., being the UL-1 – UL-4 Zone, Reservoir A, containing approximately 150 acres and being situated in Sections 35 and 36, Township 16 South, Range 14 East, **limited to** only include from the surface down to a depth equal to the stratigraphic marker seen at 11,390' in the Campbell energy Corporation Morgan City Land & Fur #1 Well, with further particulars being stipulated in the instrument.

Westgrove Energy Holdings, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

11. CHANGE OF NAME STATE LEASE NO. 5849,  
Bossier and Caddo Parishes,  
Louisiana

A Change of Name whereby WSF, Inc. is changing its name to BHP Billiton Petroleum (WSF Operating), Inc., affecting State Lease No. 5849, Bossier and Caddo Parishes, Louisiana, with further particulars being stipulated in the instrument.

**B. STATE LEASE TRANSFERS  
SEPTEMBER 11, 2013**

12. CHANGE OF NAME

STATE LEASE NOS. 249,  
3435, 5849, 10415, 13190,  
15057, 16397, 16503, 16833,  
17216, 17217, 18635, 18641,  
18741, 18768, 19306, 19483  
and Operating Agreement "A0297",  
Bienville, Bossier, Caddo, DeSoto,  
Jefferson, Red River, St. Martin  
and Webster Parishes, Louisiana

A Change of Name whereby KCS Resources, LLC is changing its name to BHP Billiton Petroleum (KCS Resources), LLC, affecting State Lease Nos. 249, 3435, 5849, 10415, 13190, 15057, 16397, 16503, 16833, 17216, 17217, 18635, 18641, 18741, 18768, 19306, 19483 and Operating Agreement "A0297", Bienville, Bossier, Caddo, DeSoto, Jefferson, Red River, St. Martin and Webster Parishes, Louisiana, with further particulars being stipulated in the instrument.

13. CHANGE OF NAME

STATE LEASE NOS. 542,  
543, 16717, 17946, 18372,  
18503, 18863, 19121, 19349,  
19542, 19756, 19757, 19758,  
19759, 19761, 19762, 19763,  
19764, 19766, 19782, 19786,  
19788, 19790, 19792, 19794,  
19830, 19832, 19887, 19999,  
20030, 20040, 20075, 20079,  
20080, 20114, 20287, 20702,  
20821, 20845, 20881, 20949  
and Operating Agreement  
"A0158", Bienville, Bossier,  
Caddo, DeSoto, Iberville,  
Natchitoches, Red River and  
Webster Parishes, Louisiana

A Change of Name whereby Petrohawk Properties, LP is changing its name to BHP Billiton Petroleum Properties (N.A.), LP, affecting State Lease Nos. 542, 543, 16717, 17946, 18372, 18503, 18863, 19121, 19349, 19542, 19756, 19757, 19758, 19759, 19761, 19762, 19763, 19764, 19766, 19782, 19786, 19788, 19790, 19792, 19794, 19830, 19832, 19887, 19999, 20030, 20040, 20075, 20079, 20080, 20114, 20287, 20702, 20821, 20845, 20881, 20949 and Operating Agreement "A0158", Bienville, Bossier, Caddo, DeSoto, Iberville, Natchitoches, Red River and Webster Parishes, Louisiana, with further particulars being stipulated in the instrument.

**B. STATE LEASE TRANSFERS  
SEPTEMBER 11, 2013**

14. AMENDMENT AND RESTATEMENT OF STIPULATIONS OF TITLE AND CROSS ASSIGNMENTS STATE LEASE NOS. 334, 335, 340 and 341, Cameron Iberia, Plaquemines, St. Bernard, St. Mary, Terrebonne and Vermilion Parishes, Louisiana

An Amendment and Restatement of Stipulations of Title and Cross Assignment by and between Evelyn Gay Lawton Duhon, John Michael Duhon, Linda Lew Lawton Drost, Charles Mitchell Drost, William Thomas Drost, Desire Drost Brame, Mary Margaret Duhon Harper, Katherine Elizabeth Duhon Smith, Evelyn Michelle Duhon Truax, D,S&T-SL, L.L.C., D,S&T- NSL, L.L.C., Drost & Brame- SL, L.L.C. and Drost & Brame – NSL, L.L.C., whereas said parties desire to amend and restate the Stipulation of Title and Cross Assignment portion of the instrument only, by deleting in its entirety, all the provision os the Stipulation of Title and Cross Assignments on pages 14 through 18 and replace with the attached provisions, affecting State Lease Nos. 334, 335, 340 and 341, Cameron, Iberia, Plaquemines, St. Bernard, St. Mary, Terrebonne and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument.

15. STIPULATION OF OWNERSHIP AND CROSS ASSIGNMENTS STATE LEASE NOS. 334, 335, 340 and 341, Cameron, Iberia, Plaquemines, St. Bernard, St. Mary, Terrebonne and Vermilion Parishes, Louisiana

A Stipulation of Ownership and Cross Assignment by and between Evelyn Gay Lawton Duhon, Linda Lew Lawton Drost, William Thomas Drost, Desiree Drost Brame, Mary Margaret Duhon Harper, Katherine Elizabeth Duhon Smith, Evalyn Michelle Duhon Truax, D, S & T-SL, L.L.C, Drost & Brame-SL, L.L.C., EGL Class Trust, LLL Class Trust, EGL Family Trust, LLL Family Trust, Succession of William Burton Lawton and William Burton Lawton Grandchildren’s Testamentary Trust, whereas said parties declare the interest that were owned by William Burton Lawton, Evelyn Gay Lawton Duhon, Linda Lew Lawton Drost, the EGL Family Trust, the LLL Family Trust, the EGL Class Trust, the LLL Class Trust, D, S & T- SL, LLC and Drost & Brame- SL, L.L.C., affecting State Lease Nos. 334, 335, 340 and 341, are presently owned by the following in the proportions set out below:

	State Lease Nos. 334, 340 and 341	State Lease No. 335
D, S & T – SL, L.L.C.	4451/1920000 of 8/8ths	2827/1920000 of 8/8ths
Drost & Brame- SL, L.L.C.	3249/1920000 of 8/8ths	2623/1920000 of 8/8ths
Linda Dew Lawton Drost	350/1920000 of 8/8ths	1225/1920000 of 8/8ths
Evelyn Gay Lawton Duhon	350/1920000 of 8/8ths	1225/1920000 of 8/8 <sup>th</sup>

in and to State Lease Nos. 334, 335, 340 and 341, Cameron, Iberia, Plaquemines, St. Bernard, St. Mary, Terrebonne and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument.

**B. STATE LEASE TRANSFERS  
SEPTEMBER 11, 2013**

16. ASSIGNMENT

STATE LEASE NO. 19929,  
Caddo and DeSoto Parishes,  
Louisiana

An Assignment from Chesapeake Louisiana, L.P. to Jamestown Resources, L.L.C., an undivided 2.5% working interest in and to State Lease No. 19929, Caddo and DeSoto Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is located within the boundaries of the HA RA SU 93, with further particulars being stipulated in the instrument.

Chesapeake Louisiana, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

17. ASSIGNMENT

STATE LEASE NO. 19929,  
Caddo and DeSoto Parishes,  
Louisiana

An Assignment from Chesapeake Louisiana, L.P. to Larchmont Resources, L.L.C., an undivided 2.5% working interest in and to State Lease No. 19929, Caddo and DeSoto Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is located within the boundaries of the HA RA SU 99, with further particulars being stipulated in the instrument.

Chesapeake Louisiana, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

18. ASSIGNMENT

STATE LEASE NO. 19929,  
Caddo and DeSoto Parishes,  
Louisiana

An Assignment from Chesapeake Louisiana, L.P. to Larchmont Resources, L.L.C., an undivided 2.5% working interest in and to State Lease No. 19929, Caddo and DeSoto Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease is located within the boundaries of the HA RA SU 94, with further particulars being stipulated in the instrument.

Chesapeake Louisiana, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

**B. STATE LEASE TRANSFERS  
SEPTEMBER 11, 2013**

19. ASSIGNMENT AND STIPULATION OF INTEREST STATE LEASE NO.19489,  
Plaquemines Parish, Louisiana

An Assignment from Main Pass Investors LLC and MP35 Investments, LLC, of an undivided 15.625% right, title and interest to the following in the proportions set out below:

AC Exploration, LLC	0.03297805%
Hamilton Exploration Group, Inc.	0.00471115%
Hew-Tex Oil & Gas Corporation	0.06355575%
Marks Explorer LLC	0.01888938%
RM Energy, Inc.	0.00471115%
Tauber Exploration & Production Co.	0.03140453%

and A Stipulation of Interest whereby said parties stipulate that said lease is owned as follows:

AC Exploration, LLC	0.08541805%
Hamilton Exploration Group, Inc.	0.01221115%
Hew-Tex Oil & Gas Corporation	0.07750000%
Marks Explorer LLC	0.13619512%
RM Energy, Inc.	0.01221115%
Tauber Exploration & Production Co.	0.08139953%

in and to State Lease No. 19489, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Marks Explorer LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

20. CHANGE OF NAME STATE LEASE NO. 16918,  
Lafourche Parish, Louisiana

A Change of Name whereby U.S. Emerald Energy Company, Inc. is changing its name to U.S. Emerald Energy Company, L.P., affecting State Lease No. 16918, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

**C. DEPARTMENT OF WILDLIFE AND FISHERIES STATE AGENCY  
LEASE TRANSFERS  
SEPTEMBER 11, 2013**

The State Agency Leases require that any transfer of interest be approved by the Agency prior to the transfer. By Co-operative Endeavor Agreement, dated effective December 18, 2009, the Office of Mineral Resources has assumed responsibility for the administration of all State Agency Leases awarded by or on behalf of the said Department of Wildlife and Fisheries.

This section deals with transfers of interests in those State Agency Leases for the Department of Wildlife and Fisheries now under administration by the Office of Mineral Resources as staff of the Louisiana State Mineral and Energy Board and for which approval by the Board is being requested. Accompanying each item submitted in this section was an Ownership Transfer Form (Form-B) listing the pre-transfer and post-transfer interest of all party lease owners in the lease(s) herein set forth. Each document is carefully checked by the staff to ensure that the interest transfer figures are consistent with and reflect the interest in our records; and further, that all form requirements are met.

**No items received for this category.**

**D. ADVERTISED PROPOSALS  
SEPTEMBER 11, 2013**

**La. R.S. 30:129.1** provides that certain types of agreements entered into by the State with respect to its mineral leasing activity must be advertised within a specific time of the State Mineral and Energy Board meeting at which those agreements will be acted on.

These items are called advertised items. They consist of unitization agreements, lease amendments, gas production contracts, amendments, compromise agreements and other types of agreements. These items are checked by the staff to make sure that the contents of the agreement correctly reflect the understanding of all parties, that the form is authentic and properly notarized and that the items have met the statutory advertisement requirements.

1. OPERATING AGREEMENT (13-27) TERREBONNE PARISH,  
LOUISIANA

An Operating Agreement by and between the State Mineral and Energy Board and S2 Energy 1, LP, 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 21% before payout, increasing to 23% after payout, in and to the operating tract, covering a portion of former State Lease No. 14795, said operating tract containing 240.00 acres, more or less, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

2. OPERATING AGREEMENT (13-28) CAMERON PARISH,  
LOUISIANA

An Operating Agreement by and between the State Mineral and Energy Board and Linder Oil Company, A Partnership, 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 25.5% after payout, in and to the operating tract, covering a portion of former State Lease No. 17916, said operating tract containing 10.17 acres, more or less, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

3. LEASE EXTENSION AND AMENDMENT (13-29) STATE LEASE NO. 20483,  
Plaquemines Parish, Louisiana

A Lease Extension and Amendment by and between the State Mineral and Energy Board and ETROA Resources, LLC, whereas said parties desire to amend Paragraph 2 of the Subject Lease amending the primary term from 3 years to 3 years 6 months, with an option by Lessee to extend an addition 6 months and the royalty percentage in Paragraph 6 is increased from 21.5% to 22.0%. Said parties also desire to amend the prior shut-in clause in Section 6(d), affecting State Lease No. 20483, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

**D. ADVERTISED PROPOSALS  
SEPTEMBER 11, 2013**

4. OPERATING AGREEMENT (13-30)

IBERIA PARISH,  
LOUISIANA

An Operating Agreement by and between the State Mineral and Energy Board and Louisiana Onshore Properties, LLC, 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 22.5% before payout, increasing to 23.5% after payout, in and to the operating tract, covering a portion of former State Lease Nos. 20826 and 20828, said operating tract containing 586.00 acres, more or less, Iberia Parish, Louisiana, with further particulars being stipulated in the instrument.