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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: Macy Dennis MDC
Petroleum Lands Land Manager
Office of Mineral Resources

DATE: May 11, 2016

Docket Review Committee Agenda

A meeting of the Docket Review Committee of the State Mineral and Energy Board will be held on Wednesday, May 11, 2016, immediately following the Legal and Title Controversy Committee Meeting, in the LaBelle Room, First Floor, of the LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana.

I. DOCKET REVIEW

A. All items as set forth on the May 11, 2016 Docket are submitted for State Mineral & Energy Board approval within the following categories:
- Category A: State Agency Leases.
- Category B: State Lease Transfers.
- Category C: Department of Wildlife & Fisheries State Agency Lease Transfers.
- Category D: Advertised Proposals.

The Committee may discuss matters it desires pursuant to R.S. 42:19A(1)(b)(ii)(cc), as well as Executive Session matters pursuant to R.S. 42:17A(2) and R.S. 42:17A(6).

STATE MINERAL AND ENERGY BOARD
DOCKET REVIEW COMMITTEE

ITEMS REQUIRING BOARD APPROVAL

May 11, 2016

A. STATE AGENCY LEASES
MAY 11, 2016

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.

No items received for this category.

B. STATE LEASE TRANSFERS
MAY 11, 2016

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 (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 NO. 21643, LaSalle Parish, Louisiana

An Assignment from Cypress Energy Corporation to McCartney Well Services, Inc., of all of Assignor's right, title and interest in and to State Lease No. 21643, LaSalle Parish, Louisiana, with further particulars being stipulated in the instrument.

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

2. ASSIGNMENT — OPERATING AGREEMENT "A0355" Caddo and DeSoto Parishes, Louisiana

An Assignment from Sunland Production Company, Inc. to JAG Operating, L.L.C., of all of Assignor's right, title and interest in and to Operating Agreement "A0355", Caddo and DeSoto Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

3. ASSIGNMENT — STATE LEASE NO. 17339, Lafourche Parish, Louisiana

An Assignment from Hilcorp Energy I, LP to Texas Petroleum Investment Company, of all of Assignor's right, title and interest in and to State Lease No. 17339, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

Texas Petroleum Investment 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 MAY 11, 2016

4. ASSIGNMENT — STATE LEASE NOS. 17376 and 17378, Plaquemines Parish, Louisiana

An Assignment from McMoRan Oil & Gas, LLC to DW Wapiti Investments I, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 17376 and 17378, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

DW Wapiti Investments I, 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 NOS. 18090, 18091 and 18092, Vermilion Parish, Louisiana

An Assignment from Davis Petroleum Corp. to McMoRan Oil & Gas LLC, all of Assignor's right, title and interest in and to State Lease Nos. 18090, 18091 and 18092, Vermilion Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease cover and include that certain zone identified and found in the well between the measured depths of 18,090' and 18,200' subsurface, and the stratigraphic equivalent thereof, (the "Upper Siph D") and being a portion of that certain geologic interval known as the Siphonina Davisi Zone, with further particulars being stipulated in the instrument.

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

6. CORRECTION OF ASSIGNMENT — STATE LEASE NO. 4183, Cameron Parish, Louisiana

A Correction of that certain Assignment dated July 1, 2011 from SGH Enterprises, Inc. to Samson Concorde Gas Intrastate LLC, whereas said parties desire to amend said Assignment to delete the Exhibit "A" attached to the Assignment and replace it with the Exhibit "A-1" attached hereto and made a part thereof, affecting State Lease No. 4183, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

B. STATE LEASE TRANSFERS
MAY 11, 2016

7. CORRECTION OF RESOLUTON

STATE LEASE NOS. 4183, 7584, 7712, 11859, 14357, 14531, 15685, 15690, 15691, 15774, 18871, 20360, 20390, 20391, 20392, 20393, 20394 and 20395, Calcasieu, Cameron, Jefferson Davis, Terrebonne and Vermilion Parishes, Louisiana.

A Correction of Resolution No. 2 from the November 13, 2013 Meeting, being a Change of Name whereby Samson Gas Intrastate LLC changed its name to Samson Exploration, LLC, whereby State Lease No. 4318 was omitted from said resolution and is hereby being added, affecting State Lease Nos. 4183, 7584, 7712, 11859, 14357, 14531, 15685, 15690, 15691, 15774, 18871, 20360, 20390, 20391, 20392, 20393, 20394 and 20395, Calcasieu, Cameron, Jefferson Davis, Terrebonne and Vermilion Parishes, Louisiana.

8. ASSIGNMENT

STATE LEASE NO. 21494, Plaquemines Parish, Louisiana

An Assignment from Robertson Exploration, LLC to RE1, LLC of all of Assignor's right, title and interest in and to State Lease No. 21494, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

RE1, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

9. ASSIGNMENT

STATE LEASE NOS. 21654, 21655 and 21656, Plaquemines Parish, Louisiana

An Assignment from Oil Land Services, Inc. to Hilcorp Energy I, L.P. of all of Assignor's right, title and interest in and to State Lease Nos. 21654, 21655 and 21656, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Hilcorp Energy I, 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
MAY 11, 2016

10. ASSIGNMENT

STATE LEASE NO. 21076
Plaquemines Parish, Louisiana

An Assignment from Talos Energy Offshore LLC to Success Energy, LLC of all of Assignor's right, title and interest in and to State Lease No. 21076, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

11. MERGER

STATE LEASE NO. 10754,
Acadia and Lafayette Parishes,
Louisiana

A Merger whereby R.R. Minerals, Inc. merged with and into Rosewood Lubricants, Inc., affecting State Lease No. 10754, Acadia and Lafayette Parishes, Louisiana, with further particulars being stipulated in the instrument.

12. ASSIGNMENT

STATE LEASE NO. 483,
Terrebonne Parish, Louisiana

An Assignment from Evangeline Natural Resources, L.L.C. to the following in the proportions set out below:

Ironstone Energy, LLC	46.25%
K-Exploration Co.	5.00%
AFP Exploration, Inc.	2.50%

in and to State Lease No. 483, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Evangeline Natural Resources, L.L.C. 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
MAY 11, 2016

13. ASSIGNMENT

STATE LEASE NO. 21339,
Concordia Parish, Louisiana

An Assignment from Frank Davis Exploration, Inc. of an undivided .815000 interest to the following in the proportions set out below:

Pine Energies, Inc.	.110000
3D Exploration, LLC	.050000
Black Jack Oil Company, Inc.	.050000
Embayment Production, LLC	.040000
TAH Trust	.044375
Michael S. Hartman Trust	.044375
WT Drilling Company, Inc.	.031250
Pinebelt Oi & Gas, Inc.	.030000
Rawls Energy, LLC	.030000
Billy R. Powell	.025000
W. D. Mounger	.025000
Mid South Land Services, Inc.	.020000
Parous Energy, LLC	.020000
Magnolia Assets of Mississippi, LP	.020000
B & H Drilling Fluids	.020000
Ronnie D. Smith	.020000
GP Contracting, Inc.	.020000
Gus Primos	.020000
Lakeland Development Corporation	.020000
Houston C. Primos	.015000
Tri Co Production, LLC	.010000
Moon & Hines, LLC	.010000
Moon & Hines-Tigrett Operating Co., Inc.	.010000
Boyll Oil & Gas, LLC	.010000
Vaughan Watkins, Jr., LLC	.010000
Barat Properties, LLC	.010000
Coe Capital, LLC	.010000
Ernest E. Walker	.010000
Maison Heidelberg	.010000
Cecil Heidelberg	.010000
John M. Vardi	.010000
TMC Exploration, Inc.	.010000
Port Natural Resources	.010000
Davis Oil & Gas, LLC	.010000
Scott Hines	.005000
Todd Hines	.005000
Shiloh Resources, LLC	.005000

in and to State Lease No. 21339, Concordia Parish, Louisiana, with further particulars being stipulated in the instrument.

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

C. DEPARTMENT OF WILDLIFE AND FISHERIES STATE AGENCY LEASE TRANSFERS MAY 11, 2016

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
MAY 11, 2016

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. AMENDMENT OF OPERATING (16-14) AGREEMENT — OPERATING AGREEMENT "A0280" Lafourche Parish, Louisiana

An Amendment of Operating Agreement by and between the State of Louisiana, through the State Mineral and Energy Board and Shoreline Southeast LLC, whereas said parties desire to amend said Operating Agreement to include Shut-in payment language in the Agreement, affecting Operating Agreement "A0280", Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

2. OPERATING AGREEMENT (16-15) — ASSUMPTION PARISH, LOUISIANA

An Operating Agreement by and between the State Mineral and Energy Board and Bridgeline Holdings, L.P., to create an Operating Tract regarding storage of hydrocarbons in the cavern associated with the Bridgeline Well No. 1, Serial No. 972568, covering unleased state acreage located in Section 41, Township 12 South, Range 13 East, Assumption Parish, Louisiana, with further particulars being stipulated in the instrument.

3. OPERATING AGREEMENT (16-16) — BOSSIER PARISH, LOUISIANA

An Operating Agreement by and between the State Mineral and Energy Board and MRC Energy Company, 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 25.0% before payout, increasing to 25.5% after payout, in and to the operating tract, covering a portion of Former State Lease No. 20274, containing 16.64 acres, more or less, Bossier Parish, Louisiana, with further particulars being stipulated in the instrument.

D. ADVERTISED PROPOSALS
MAY 11, 2016

4. COMMUNITIZATION AGREEMENT (16-17) — STATE LEASE NOS. 2227 and 17203, Plaquemines Parish, Louisiana

A Communitization Agreement presented by Hilcorp Energy, I, L.P., Entech Enterprises, Inc., Omimex Petroleum, Inc., Plaquemines Oil & Development Company, the State Mineral and Energy Board for and on behalf of the State of Louisiana and the United States Bureau of Land Management, to create an 245.795 acre unit, more or less, identified as the MQ RA SUA Unit, being attributable to State Lease Nos. 2227 and 17203 and the remaining acreage being attributable to private ownership and Federal Leases, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

5. COMMUNITIZATION AGREEMENT (16-18) — STATE LEASE NOS. 2227 and 17203, Plaquemines Parish, Louisiana

A Communitization Agreement presented by Hilcorp Energy, I, L.P., Entech Enterprises, Inc., Plaquemines Oil & Development Company, the State Mineral and Energy Board for and on behalf of the State of Louisiana and the United States Bureau of Land Management, to create an 390.119 acre unit, more or less, identified as the MQ STRINGER RA UA Unit, being attributable to State Lease Nos. 2227 and 17203 and the remaining acreage being attributable to private ownership and Federal Leases, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.