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SECRETARY

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 *MDJ CW*
Petroleum Lands Land Manager
Office of Mineral Resources

DATE: December 14, 2016

DOCKET REVIEW REPORT

I. DOCKET REVIEW

- A. All items as set forth on the December 14, 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**

ITEMS REQUIRING BOARD APPROVAL

December 14, 2016

**A. STATE AGENCY LEASES
DECEMBER 14, 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.

1. STATE AGENCY LEASE (A)

PLAQUEMINES PARISH,
LOUISIANA

An Oil, Gas and Mineral Lease from the Plaquemines Parish Government, dated October 13, 2016, awarded to Hilcorp Energy I, L.P., covering lands located in Section 31, Township 19 South, Range 28 East, containing 87 acres, more or less, with further contractual obligations being more enumerated in the instrument.

BIDDER AND LESSEE	: Hilcorp Energy I, L.P.
BONUS	: \$13,050.00 (\$150.00/acre)
RENTAL	: \$6,525.00
ROYALTIES	: 25% on oil, gas or other minerals
TERM	: Three (3) years

There was only one bid submitted.

**B. STATE LEASE TRANSFERS
DECEMBER 14, 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 NOS. 6931,
10965, 16034, 16035, 16036,
16305, 16420, 16530, 16531,
16677, 16717, 17161, 17640,
17946, 18096, 18181, 20990,
20992, 20997, 20998, 21033,
21195, 21196, 21197, 21199
and 21200, Bossier, Caddo and
Webster Parishes, Louisiana

An Assignment from Anadarko E&P Onshore LLC and Kerr-McGee Oil & Gas Onshore LP, of all of Assignors right title and interest to the following in the proportions set out below:

Aethon United BR LP	90%
PEO Haynesville Holdco, LLC	10%

in and to State Lease Nos. 6931, 10965, 16034, 16035, 16036, 16305, 16420, 16530, 16531, 16677, 16717, 17161, 17640, 17946, 18096, 18181, 20990, 20992, 20997, 20998, 21033, 21195, 21196, 21197, 21199 and 21200, Bossier, Caddo and Webster Parishes, Louisiana, with further particulars being stipulated in the instrument.

Aethon United BR LP 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
DECEMBER 14, 2016**

2. JUDGMENT AND AMENDED JUDGMENT OF POSSESSION STATE LEASE NOS. 2524, 3240 and 6815, Assumption and Caddo Parishes, Louisiana

A Judgement and Amended Judgment of Possession of the Succession of Jack Webster Grigsby, whereby J. Roy Burroughs and Terry Melvin Watson in their capacities as co-trustees the Jack Grigsby Family Trust for John Paul and the Jack Grigsby Family Trust for Morgan are sent into possession in the proportion of one-half interest to each trust, affecting State Lease Nos. 2524, 3240 and 6815, Assumption and Caddo Parishes, Louisiana, with further particulars being stipulated in the instrument.

3. ASSIGNMENT STATE LEASE NOS. 2524 and 6815, Caddo Parish, Louisiana

An Assignment from J. Roy Burroughs and Terry Melvin Watson in their capacities as co-trustees the Jack Grigsby Family Trust for John Paul and the Jack Grigsby Family Trust for Morgan to the Jack Grigsby Family Trust Working Interest L.C., of all of Assignor's right, title and interest in and to State Lease Nos. 2524 and 6815, Caddo Parish, Louisiana, with further particulars being stipulated in the instrument.

Jack Grigsby Family Trust Working Interest L.C 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 NO. 3240, Assumption Parish, Louisiana

An Assignment from J. Roy Burroughs and Terry Melvin Watson in their capacities as co-trustees the Jack Grigsby Family Trust for John Paul and the Jack Grigsby Family Trust for Morgan to the Jack Grigsby Family Trust Working Interest L.C., of all of Assignor's right, title and interest in and to State Lease No. 3240, Assumption Parish, Louisiana, with further particulars being stipulated in the instrument.

Jack Grigsby Family Trust Working Interest 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
DECEMBER 14, 2016**

5. ASSIGNMENT

STATE LEASE NO. 451,
Plaquemines Parish, Louisiana

An Assignment from Apache Shelf Inc. to Texas Petroleum Investment Company, of all of Assignor's right, title and interest in and to State Lease No. 451, Plaquemines 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.

6. ASSIGNMENT AND CORRECTION
OF ASSIGNMENT

STATE LEASE NOS. 14988,
14990, 15000, 15088, 16877
and 16878, Rapides Parish,
Louisiana

An Assignment and Correction of Assignment from Chesapeake Louisiana, L.P and Chesapeake Operating, L.L.C. to SND-Vortus, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 14988, 14990, 15000, 15088, 16877 and 16878, Rapides Parish, Louisiana, with further particulars being stipulated in the instrument.

SND-Vortus, L.P. 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 NOS. 1958
and 2125, Plaquemines Parish,
Louisiana

An Assignment from Roky Operating, LLC to Triumph Energy I, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 1958 and 2125, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Poydras Energy Partners, 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
DECEMBER 14, 2016**

8. ASSIGNMENT

STATE LEASE NO. 21636,
Jefferson Davis Parish, Louisiana

An Assignment from Acadian Land Services, L.L.C. to Aspect Energy, LLC, of all of Assignor's right, title and interest in and to State Lease No. 21636, Jefferson Davis Parish, Louisiana, with further particulars being stipulated in the instrument.

Aspect Energy, 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 NO. 12105
and Operating Agreement
"A0137", Terrebonne Parish,
Louisiana

An Assignment from Pioneer Exploration, LLC to Atlas La Energy LLC, of all of Assignor's right, title and interest in and to State Lease No. 12105 and Operating Agreement "A0137", Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Atlas La Energy LLC 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. 12105
and Operating Agreement
"A0137", Terrebonne Parish,
Louisiana

An Assignment from Atlas LA Energy LLC to Lake Pagie Energy LLC, of all of Assignor's right, title and interest in and to State Lease No. 12105 and Operating Agreement "A0137", Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Lake Pagie Energy 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
DECEMBER 14, 2016**

11. ASSIGNMENT

STATE LEASE NOS. 21628
and 21629, Terrebonne Parish,
Louisiana

An Assignment from Castex Energy Partners, L.P. to CTS Energy LLC, of an undivided 10% of Assignor's right, title and interest in and to State Lease Nos. 21628 and 21629, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

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

12. ASSIGNMENT

STATE LEASE NOS. 21608,
21611, 21612, 21613, 21614,
21615 and 21616, Terrebonne
Parish, Louisiana

An Assignment from Castex Energy Partners, L.P. to CTS Energy LLC, of an undivided 10% of Assignor's right, title and interest in and to State Lease Nos. 21608, 21611, 21612, 21613, 21614, 21615 and 21616, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

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

13. ASSIGNMENT AND CORRECTION
OF ASSIGNMENT

STATE LEASE NO. 19692
and 19693, Red River Parish,
Louisiana

An Assignment and Correction of Assignment from Chesapeake Louisiana, L.P. to Brix Operating LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 19692 and 19693, Red River Parish, Louisiana, with further particulars being stipulated in the instrument.

Brix Operating 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
DECEMBER 14, 2016**

14. ASSIGNMENT AND CORRECTION OF ASSIGNMENT STATE LEASE NO. 20470,
Sabine Parish, Louisiana

An Assignment and Correction of Assignment from Chesapeake Louisiana, L.P. to Brix Operating LLC, of all of Assignor's right, title and interest in and to State Lease No. 20470, Sabine Parish, Louisiana, with further particulars being stipulated in the instrument.

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

15. ASSIGNMENT STATE LEASE NOS. 20482,
20781, 20967, 20968 and 21363,
Plaquemines Parish, Louisiana

An Assignment from Attic Investment, Inc. to Triumph Energy I, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 20482, 20781, 20967, 20968 and 21363, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

16. ASSIGNMENT STATE LEASE NOS. 1958,
2125 and 20101, Plaquemines
Parish, Louisiana

An Assignment from Texas Allied Petroleum, Inc. to Triumph Energy I, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 1958, 2125 and 20101, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Triumph Energy I, LLC 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
DECEMBER 14, 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
DECEMBER 14, 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. UNITIZATION AGREEMENT (12-36)

STATE LEASE NO. 356,
Lafitte Field, Jefferson Parish,
Louisiana

A Unitization Agreement presented by Hilcorp Energy I, L.P., et al, to create a 855.283 acre unit, more or less, identified as the “**LFT SD RA SU**”, with 29.805 acres being attributable to State Lease No. 356 and the remaining acreage being attributable to private ownership, affecting State Lease No. 356, Lafitte Field, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.