

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

AUDIT COMMITTEE

ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and adopted:

WHEREAS, upon authorization by the Commissioner of Conservation, in certain circumstances, operators may utilize long lateral hydrofracturing technologies which cross the boundary of one or more units to produce hydrocarbons;

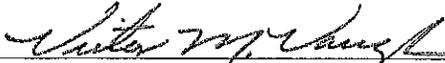
WHEREAS, all royalties derived from the production of hydrocarbons from such authorized long lateral hydrofracturing technologies utilized within these wells shall be reported to the Office of Mineral Resources ("OMR");

THEREFORE BE IT RESOLVED, that any and all royalties derived from the utilization of authorized long lateral hydrofracturing technologies, which extend into more than one unit must be presented and paid separately for each unit; and

BE IT FURTHER RESOLVED, that all royalties shall be reported to OMR utilizing the Department of Natural Resources Online Royalty Reporting System and all royalty reports shall be submitted in "Excel" (".xls") format.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana on the 13th day of July, 2011, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



LOUISIANA STATE MINERAL AND ENERGY BOARD