

Merlin Oil & Gas, Inc.

President

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Louisiana State Mineral and Energy Board
Office Of Mineral Resources

Attn: Ms. Suzanna Hyatt

Dear Board Members,

Ahead of your scheduled meeting tomorrow I have been asked to read the comments to your most recent suggested changes to the proposed State Lease Form.

I heartily concur with the comments outlined by the Memo Gordon, Arata, Montgomery, Barnett Firm has provided to you. In particular, the immense concern over the insertion of a "NO DEDUCTION" clause.

The inherent variables recited by the Gordon Arata Memo, along with the inequitable oil & gas opportunities inside our state compared to other adjacent states, make this an onerous and unyielding addition to the form.

I would respectfully ask that you listen carefully to the comments put forth from Gordon Arata, by Industry, and your oil & gas customers who are also your financial business partners.

Their concerns... as espoused prior to this next Board meeting are delivered to you in the face of a shrinking oil & gas exploration effort, the underwhelming recent results of the Austin Chalk and continued decline in revenue and new opportunities within our great state.

Thank you for your time!

Sincerely,



Mark K. Miller
Merlin Oil & Gas, Inc.