

# ONEBANE LAW FIRM

*A Professional Corporation*

Post Office Box 3507  
Lafayette, LA 70502-3507  
Main: 337-237-2660  
Fax: 337-266-1232

**Thomas G. Smart**

[smartt@onebane.com](mailto:smartt@onebane.com)

337-266-1180

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1200 Camellia Boulevard  
Suite 300  
Lafayette, LA 70508  
[www.onebane.com](http://www.onebane.com)

March 6, 2019

Via Email [suzanne.hyatt@la.gov](mailto:suzanne.hyatt@la.gov)

State Mineral and Energy Board

P. O. Box 2827

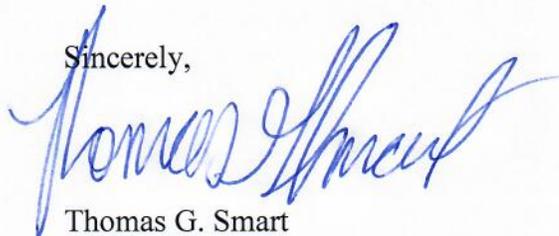
Baton Rouge, LA 70821-2827

Re: Comments to Proposed State Lease Form

Suzanne:

In addition to the joint comments previously submitted, attached please find some additional comments I have received on the pertinent articles for the Proposed State Lease form being discussed next Tuesday.

Sincerely,



Thomas G. Smart

TGS:

**Additional Onebane Comments**  
**Received from Other Clients**  
**(March 6, 2019)**

Article 3(E) If there is going to be a depth termination provision and if it is going to be tied to a formation or interval, then (i) if a unit has been formed (especially via a commissioner's unit), then the unit formation (as defined by the unit order) should be used, and (ii) the stratigraphic equivalent of the referenced formation should be used, rather than an absolute depth.

Article 7 There should be a requirement that any offset well to be drilled would have to be economical-such that a reasonable prudent operator would drill it.

Article 17(B) Before the \$100 per day would be due or start accruing, that notice be given to the lessee. In many instances, lessees or owners of interest in leases are unaware of lease termination. Also, a cap should be placed upon the amount due.