



**BOBBY JINDAL**  
GOVERNOR

**State of Louisiana**  
**DEPARTMENT OF NATURAL RESOURCES**  
**OFFICE OF CONSERVATION**

**STEPHEN CHUSTZ**  
SECRETARY  
**JAMES H. WELSH**  
COMMISSIONER OF CONSERVATION

DECEMBER 19, 2014

HELIS OIL & GAS COMPANY, LLC  
228 ST. CHARLES AVENUE  
SUITE 912  
NEW ORLEANS, LA 70130-0000

\*\*\*PERMIT TO DRILL\*\*\*

RE: SAINT TAMMANY PARISH  
LACOMBE BAYOU FIELD  
EADS POITEVENT ETAL NO. 001  
SER NO. 248819

GENTLEMEN:

WE ARE ISSUING THE ATTACHED PERMIT TO DRILL FOR THE ABOVE REFERENCED WELL WITH THE UNDERSTANDING THAT YOU WILL COMPLY WITH THE FOLLOWING CONDITIONS:

FURNISH THE APPROPRIATE DISTRICT MANAGER WITH INCLINATION AND/OR DIRECTIONAL SURVEY DATA AS PROOF THAT THE WELL HAS BEEN DRILLED IN COMPLIANCE WITH THE PROVISIONS OF LAC 43:XIX 135 (STATEWIDE ORDER NO. 29-B).

IN THE EVENT THE WELL IS A PRODUCER, NO ALLOWABLE WILL BE ASSIGNED UNTIL A SUITABLE UNIT HAS BEEN FORMED.

ALSO, THERE CAN BE NO COMPLETION IN ANY RESERVOIR WHICH IS NOT IN COMPLIANCE WITH THE PROVISIONS OF THE LOUISIANA OFFICE OF CONSERVATION ORDERS OF THE 1577 SERIES, FOR THE ABOVE-CAPTIONED FIELD AND PARISH.

HELIS IS REQUIRED TO EXECUTE ITS PLAN AS PRESENTED AT THE HEARING AND IN ACCORDANCE WITH ORDER NO. 1577-1, WHICH INCLUDES BUT IS NOT LIMITED TO THE ITEMS BELOW:

- HELIS WILL DRILL THE WELL USING A CLOSED-LOOP SOLIDS CONTROL SYSTEMS, AND THERE WILL BE NO PITS, NO EARTHEN PITS, EITHER LINED OR UNLINED. STEEL TANKS WILL BE USED IN THE CLOSED-LOOP SOLIDS CONTROL SYSTEM WITH ALL THE WASTE MUD AND ROCK CUTTINGS BEING GENERATED BEING REMOVED AS THEY ARE DRILLED.
- HELIS WILL CEMENT THE INTERMEDIATE CASING FROM APPROXIMATELY 12000 TO SURFACE.
- HELIS WILL RESTRICT ITS ACQUISITION OF WATER (FOR FRACKING PURPOSES) TO SURFACE WATER FROM PRIVATE OWNER PONDS THAT ARE NOT REPLENISHED BY GROUNDWATER WELLS.



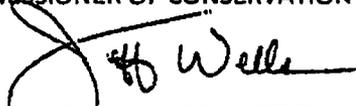
- PRIOR TO ACQUIRING WATER, HELIS SHALL PROVIDE INFORMATION TO THE OFFICE OF CONSERVATION TO IDENTIFY THE PROPOSED SOURCES OF WATER. THE ACQUISITION OF WATER SHALL NOT COMMENCE UNTIL THESE SOURCES ARE APPROVED BY THE OFFICE OF CONSERVATION.
- HELIS WILL PROVIDE FULL DISCLOSURE OF THE CHEMICALS IT USES TO HYDRAULICALLY FRACTURE THE WELL (IF AND WHEN IT IS DEEMED NECESSARY TO HYDRAULICALLY FRACTURE THE WELL).
- HELIS WILL MONITOR GROUNDWATER, AIR, STORM WATER, AND NOISE AND MAKE ANY REPORTS ASSOCIATED WITH SUCH MONITORING AVAILABLE TO CONSERVATION AND THE PUBLIC.

NO ALLOWABLE WILL BE ASSIGNED SAID WELL UNLESS IN COMPLIANCE WITH THE ABOVE PROVISIONS.

PLEASE BE ADVISED THAT A PERMIT TO DRILL ISSUED BY THE OFFICE OF CONSERVATION DOES NOT RELIEVE THE OPERATOR OF THE OBLIGATION TO COMPLY WITH FEDERAL, LOCAL, OR OTHER STATE PERMITTING OR REGULATORY REQUIREMENTS.

YOURS TRULY,

JAMES H. WELSH  
COMMISSIONER OF CONSERVATION

A handwritten signature in black ink that reads "Jeff Wells". The signature is written in a cursive style with a large, looping initial "J".

\_\_\_\_\_  
JEFF WELLS

JW : DP  
CC: RICHARD HUDSON  
LAFAYETTE, DISTRICT MANAGER  
29B, 29E-U, 1577 SERIES, SPECIAL CONDITIONS



STATE OF LOUISIANA  
OFFICE OF CONSERVATION  
PERMIT TO DRILL FOR MINERALS

FEE: \$2528

SERIAL NO. 248819  
API 17103200620000

Approval Date 12/19/2014  
Expiration Date 12/18/2015

52 PARISH SAINT TAMMANY  
4968 FIELD LACOMBE BAYOU  
H172 OPERATOR HELIS OIL & GAS COMPANY, LLC  
228 ST. CHARLES AVENUE  
SUITE 912  
NEW ORLEANS, LA 70130-0000

LAFAYETTE DISTRICT

WELL NAME: EADS POITEVENT ETAL

NO. 001

LOCATION OF WELL: SEC 034 T 07S R 12E M E

S 09 D 09' 17" W - 5,346.47' FROM USC&GS MONU. "PINEY 2" IN SEC 34.

ZONE OR RESERVOIR OF PROPOSED COMPLETION: LOWER TUSCALOOSA

Measured Dept 13374 True Vertical Depth

APPLICABLE OFFICE OF CONSERVATION ORDERS: 29B,29E- U,1577

JAMES H. WELSH

JEFF WELLS

COMMISSIONER OF CONSERVATION

ISSUING AUTHORITY

OPERATOR COPY



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WELL FILE