JOINT PUBLIC NOTICE

October 14, 2014

United States Army Corps of Engineers New Orleans District Regulatory Branch Post Office Box 60267 New Orleans, Louisiana 70160-0267

(504) 862-2041 FAX (504) 862-2117 robert.m.tewis2@usace.army.mil Project Manager Robert Tewis Permit Application Number MVN-2013-02952-ETT

State of Louisiana Department of Environmental Quality Attn: Water Quality Certification Post Office Box 4313 Baton Rouge, Louisiana 70821-4313

(225) 219-3225; Fax (225) 219-3156 Project Manager Elizabeth Johnson WQC Application Number WQC-140328-02

Interested parties are hereby notified that a permit application has been received by the U.S. Army Corps of Engineers (Corps), New Orleans District (CEMVN) pursuant to: [] Section 10 of the Rivers and Harbors Act of March 3, 1899 (30 Stat. 1151; 33 USC 403); and/or [X] Section 404 of the Clean Water Act (86 Stat. 816; 33 USC 1344).

Application has also been made to the Louisiana Department of Environmental Quality for a Water Quality Certification (WQC) in accordance with statutory authority contained in LRS30:2047 A(3), and provisions of Section 401 of the Clean Water Act (P.L.95-17).

CONSTRUCT WELL PAD FOR A SINGLE VERTICAL EXPLORATORY WELL, IN ST. TAMMANY PARISH, LOUISIANA

NAME OF APPLICANT: Helis Oil & Gas Company, LLC, (Helis), Attention: Mike Barham, 228 St. Charles Avenue, Ste. 192, New Orleans, Louisiana, 70130.

LOCATION OF WORK: North of Interstate-12, east of LA Highway 1088, abutting the west side of Log Cabin Road, at Latitude: 30.38778, Longitude -89.97861, within the Liberty Bayou-Tchefuncta River Watershed (HUC # 08090201) of the Lake Pontchartrain Drainage Basin in St. Tammany Parish, Louisiana.

<u>BRIEF FILE SUMMARY:</u> On April 14, 2014, CEMVN published a public notice for a proposed ±10.55 acre well pad that would accommodate an oil and gas exploration well and up to 10 subsurface hydraulic fracturing production wells. Two time extensions to the comment period were granted and the comment period ended June 16, 2014. On July 29, 2014, a geological review meeting (GR) coordinated by CEMVN and facilitated by the Louisiana Geological Survey was held to discuss geological aspects associated with the proposal. The GR was attended by the applicant and their consultants along with other state and federal resource agencies representatives. The focus of discussion was on the viability of the proposed location as a production site for fossil fuels to be extracted from the Tuscaloosa Shale Play.

U.S. ARMY CORPS OF ENGINEERS APPLICATION FOR DEPARTMENT OF THE ARMY PERMIT

33 CFR 325. The proponent agency is CECW-CO-R.

OMB APPROVAL NO. 0710-0003 EXPIRES: 28 FEBRUARY 2013

Public reporting for this collection of information is estimated to average 11 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of the collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters, Executive Services and Communications Directorate, Information Management Division and to the Office of Management and Budget, Paperwork Reduction Project (0710-0003). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. Please DO NOT RETURN your form to either of those addresses. Completed applications must be submitted to the District Engineer having jurisdiction over the location of the proposed activity.

PRIVACY ACT STATEMENT

Authorities: Rivers and Harbors Act, Section 10, 33 USC 403; Clean Water Act, Section 404, 33 USC 1344; Marine Protection, Research, and Sanctuaries Act, Section 103, 33 USC 1413; Regulatory Programs of the Corps of Engineers; Final Rule 33 CFR 320-332. Principal Purpose: Information provided on this form will be used in evaluating the application for a permit. Routine Uses: This information may be shared with the Department of Justice and other federal, state, and local government agencies, and the public and may be made available as part of a public notice as required by Federal law. Submission of requested information is voluntary, however, if information is not provided the permit application cannot be evaluated nor can a permit be issued. One set of original drawings or good reproducible copies which show the location and character of the proposed activity must be attached to this application (see sample drawings and/or instructions) and be submitted to the District Engineer having jurisdiction over the location of the proposed activity. An application that is not completed in full will be returned.

(ITEMS 1 THRU 4 TO BE FILLED BY THE CORPS)					
1. APPLICATION NO.	2. FIELD OFFICE CODE	3. DATE RECEIVED		4. DATE APPLICATI	ION COMPLETE
	(ITEMS BELOW TO BE	FILLED BY APPLICANT)			
5. APPLICANT'S NAME		8. AUTHORIZED AGEN	T'S NAME AI	ND TITLE (agent is no	ot required)
First - Mike Middle -	Last - Barham	First -	Middle -	Last -	
Company - Helis Oil & Gas Company, L.L.C.		Company -			
E-mail Address - mbarham@helisoil.com		E-mail Address -			
6. APPLICANT'S ADDRESS:		9. AGENT'S ADDRESS:			
Address- 228 St. Charles Avenue, Suite 912		Address-			
City - New Orleans State - L	A Zip - 70130 Country -	City -	State -	Zip -	Country -
7. APPLICANT'S PHONE NOs. WAREA CODE		10. AGENTS PHONE NO	10. AGENTS PHONE NOs. w/AREA CODE		
a. Residence b. Business (504) 681-		a. Residence	b. Busines	s c. Fax	X
	STATEMENT OF AUTHORIZATION				
11. I hereby authorize, to act in my behalf as my agent in the processing of this application and to furnish, upon request, supplemental information in support of this permit application. SIGNATURE OF APPLICANT DATE					
SISIVAISILE SE ANTEISANT					
NAME, LOCATION, AND DESCRIPTION OF PROJECT OR ACTIVITY					
12. PROJECT NAME OR TITLE (see Proposed Drillsite and Structures					
13. NAME OF WATERBODY, IF KNOWN (if applicable)		14. PROJECT STREET ADDRESS (if applicable)			
N/A		Address			
15. LOCATION OF PROJECT Latitude: ∘N 30°23'16"	Longitude: ∘W 89°58'43"	City -	St	tate-	Zip-
16. OTHER LOCATION DESCRIPTIONS, IF KNOWN (see instructions)					
State Tax Parcel ID Municipality					
Section - 34 To	wnship - T7S	Range - 12E			

three bypasses and a guard shack to be located	adjacent to Log Cabin Road between the	ween Interstate 12 and Louisiana Highway 1088; (2) proposed drill pad and Louisiana Highway 1088; na Highway 1088; as more specifically delineated in
18. Nature of Activity (Description of project, include Please see Addendum A.	e all features)	e e e e e e e e e e e e e e e e e e e
40. Desired Dumase (Describe the recess as a survey)	,	
support the drilling and installation of a vertic and monitor the quality of groundwater in the collection and management features necessary within the drill site during active drilling open	to install an environmentally secure drill al well; the proposed installation of up gra Southern Hills Aquifer in the vicinity of to for the management, and controlled disc ations. Helis anticipates construction of the ISACE permit approval and be completed	site with associated access road improvements to adient and down gradient monitor wells to assess that vertical well; and provide storm water drainage, harge of uncontaminated storm water generated are drill site and access road improvements will within approximately 30 days of construction
USE BLOCKS 20	0-23 IF DREDGED AND/OR FILL MATERIAL I	S TO BE DISCHARGED
which Helis has identified as a potentially sign acre drill site is required for the drilling and in monitor wells ("sentinel wells") to assess and vertical well; and to provide storm water drain uncontaminated storm water generated within	nificant source of previously undeveloped stallation of the vertical well; the propose monitor the quality of groundwater in the tage and collection features required for the drill site during active drilling operations thereby eliminating	ne management and controlled discharge of
21. Type(s) of Material Being Discharged and the Ar	mount of Each Type in Cubic Yards:	Туре
Amount in Cubic Yards	Amount in Cubic Yards	Amount in Cubic Yards
Non-Native-1,731 yd ³ access improvements	Non-Native - 10,766 yds ³ - drill pad	Native - 492 yds ³ - ring levee
Surface Area in Acres of Wetlands or Other Wat Acres 0.32 acres for access improvements, 2 or Linear Feet	ters Filled (see instructions) .81 acres for drill site. Total impact=3.13	acres
23. Description of Avoidance, Minimization, and Cor Please see Addendum A.	mpensation (see instructions)	

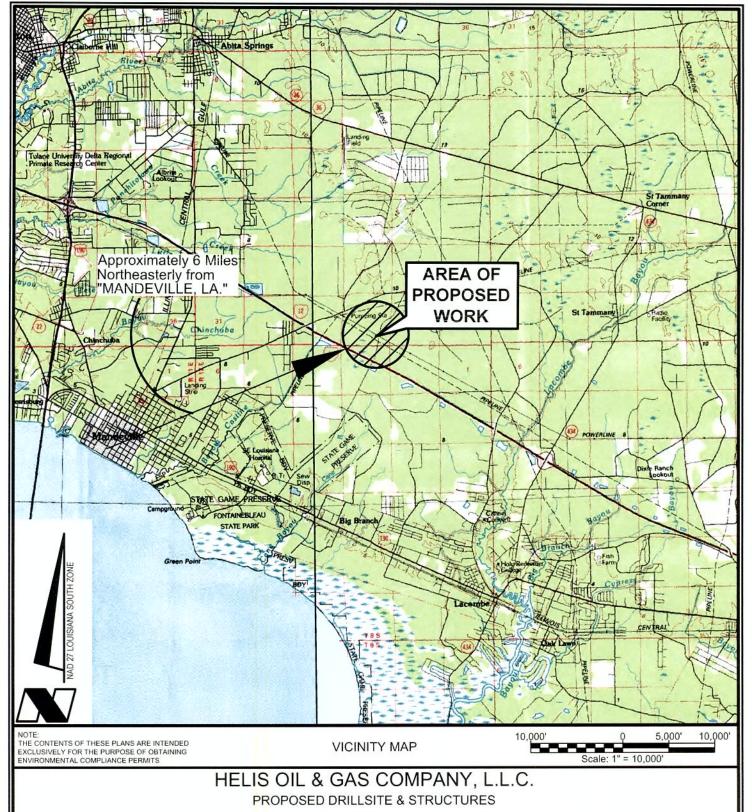
ENG FORM 4345, OCT 2012 Page 2 of 3

24. Is Any Portion of the Work Already Complete	e? Yes No IF YES	, DESCRIBE THE COMPLE	ETED WORK	
25. Addresses of Adjoining Property Owners, Les	sees, Etc., Whose Property A	Adjoins the Waterbody (if mo	re than can be entered here, please	e attach a supplemental list).
a. Address- P&F Lumber Company (2000), I	L.L.C., c/o Edward B. Poi	tevent II, One Lakeway	, 3900 North Causeway	Blvd., Suite 1200
City - Metairie	State - Louisiana	Zip - 700	02	
b. Address- St. Tammany Land Co. L.L.C., N	Ar. William Rudolf, One O	Galleria Boulevard, Suit	e 902	
City - Metairie	State - Louisiana	Zip - 70001		
c. Address- PF Monroe Properties, L.L.C., c/	o J. Edgar Monroe Found	ation, 3939 N. Causewa	y Boulevard, Suite 200	
City - Metairie	State - Louisiana	Zip - 700	02	
d. Address- Markle Interests, L.L.C., 701 Sou	ath Olive Avenue, #2101			
City - West Palm Beach	State - Florida	Zip - 334	01	
e. Address-				
City -	State -	Zip -		
26. List of Other Certificates or Approvals/Denials	received from other Federal,	State, or Local Agencies fo	or Work Described in This A	Application.
AGENCY TYPE APPROVAL*	IDENTIFICATION NUMBER	DATE APPLIED	DATE APPROVED	DATE DENIED
	_		Ta a second	
* Would include but is not restricted to zoning, build	ding, and flood plain permits			
27. Application is hereby made for permit or permit complete and accurate. I further certify that I posse applicant.				
SIGNATURE OF APPLICANT	143/14 DATE	SIGNAT	URE OF AGENT	DATE
The Application must be signed by the person	n who desires to undertak	e the proposed activity (applicant) or it may be s	signed by a duly

The Application must be signed by the person who desires to undertake the proposed activity (applicant) or it may be signed by a duly authorized agent if the statement in block 11 has been filled out and signed.

18 U.S.C. Section 1001 provides that: Whoever, in any manner within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals, or covers up any trick, scheme, or disguises a material fact or makes any false, fictitious or fraudulent statements or representations or makes or uses any false writing or document knowing same to contain any false, fictitious or fraudulent statements or entry, shall be fined not more than \$10,000 or imprisoned not more than five years or both.

ENG FORM 4345, OCT 2012 Page 3 of 3



Eads Poitevent No. 1 Well Section 34, T7S-R12E St. Tammany Parish, Louisiana

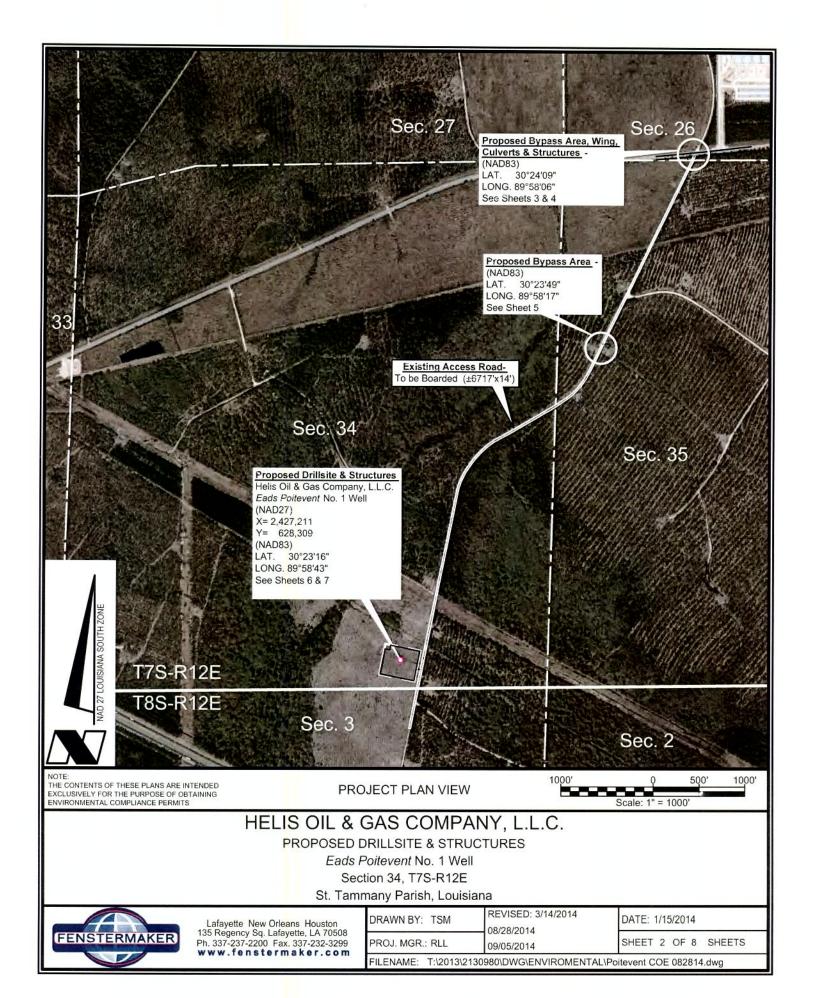


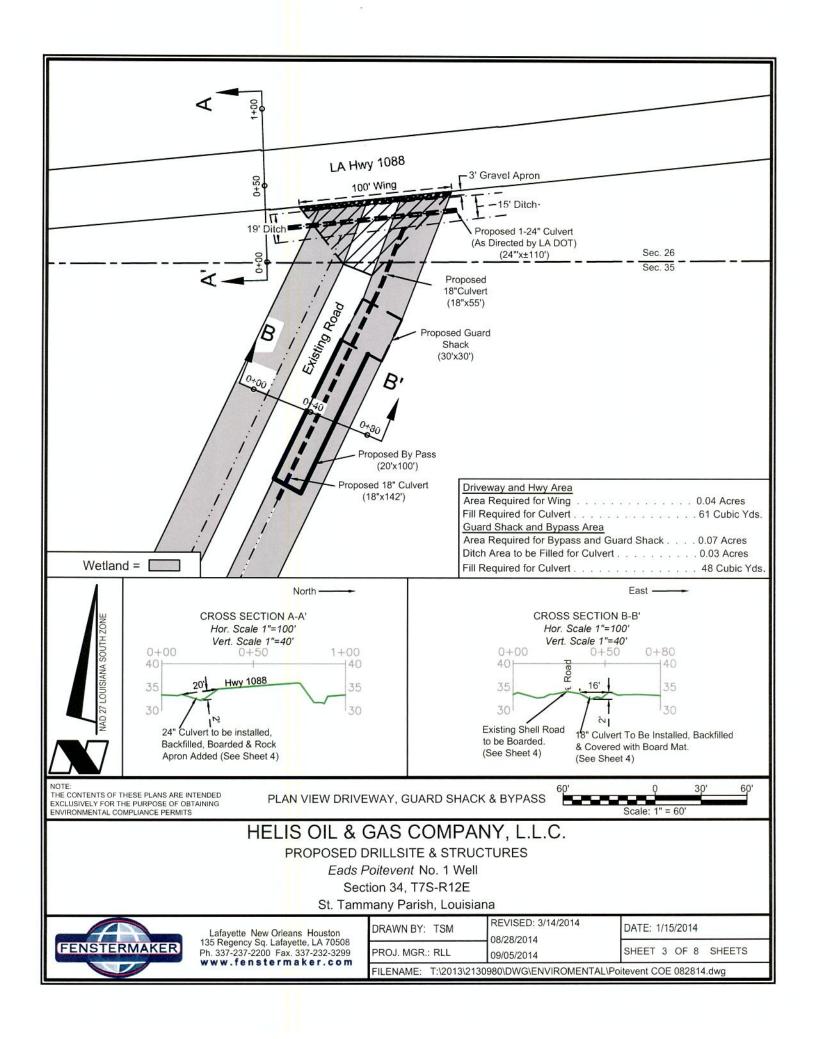
Lafayette New Orleans Houston 135 Regency Sq. Lafayette, LA 70508 Ph. 337-237-2200 Fax. 337-232-3299 www.fenstermaker.com

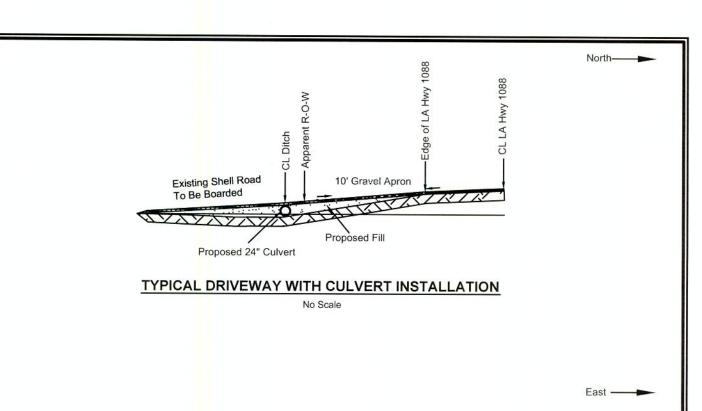
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PROJ. MGR.: RLL		SHEET 1 OF 8		

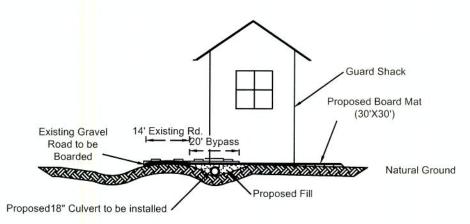
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SHEETS









Culvert to be installed in ditch, filled and covered with Boarded Mat or Boarded Bypass.

TYPICAL BYPASS, GUARD SHACK & CULVERT INSTALLATION

No Scale

NOTE: THE CONTENTS OF THESE PLANS ARE INTENDED EXCLUSIVELY FOR THE PURPOSE OF OBTAINING ENVIRONMENTAL COMPLIANCE PERMITS

HELIS OIL & GAS COMPANY, L.L.C.

PROPOSED DRILLSITE & STRUCTURES

Eads Poitevent No. 1 Well

Section 34, T7S-R12E

St. Tammany Parish, Louisiana

PROJ. MGR.: RLL



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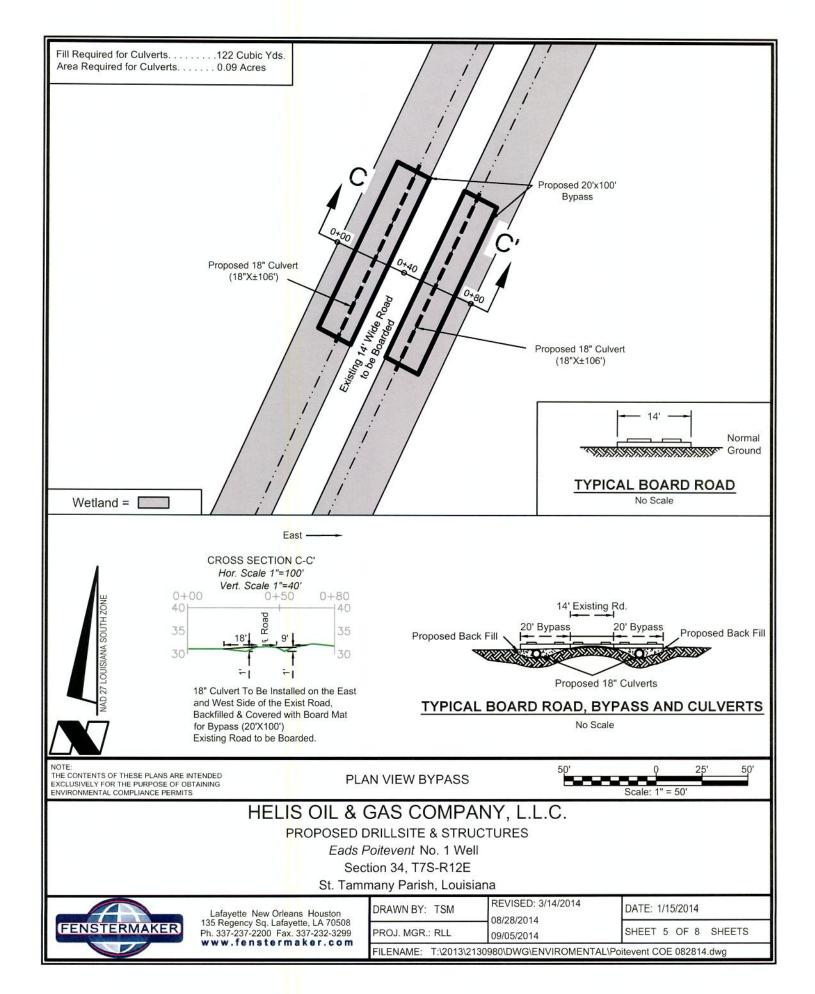
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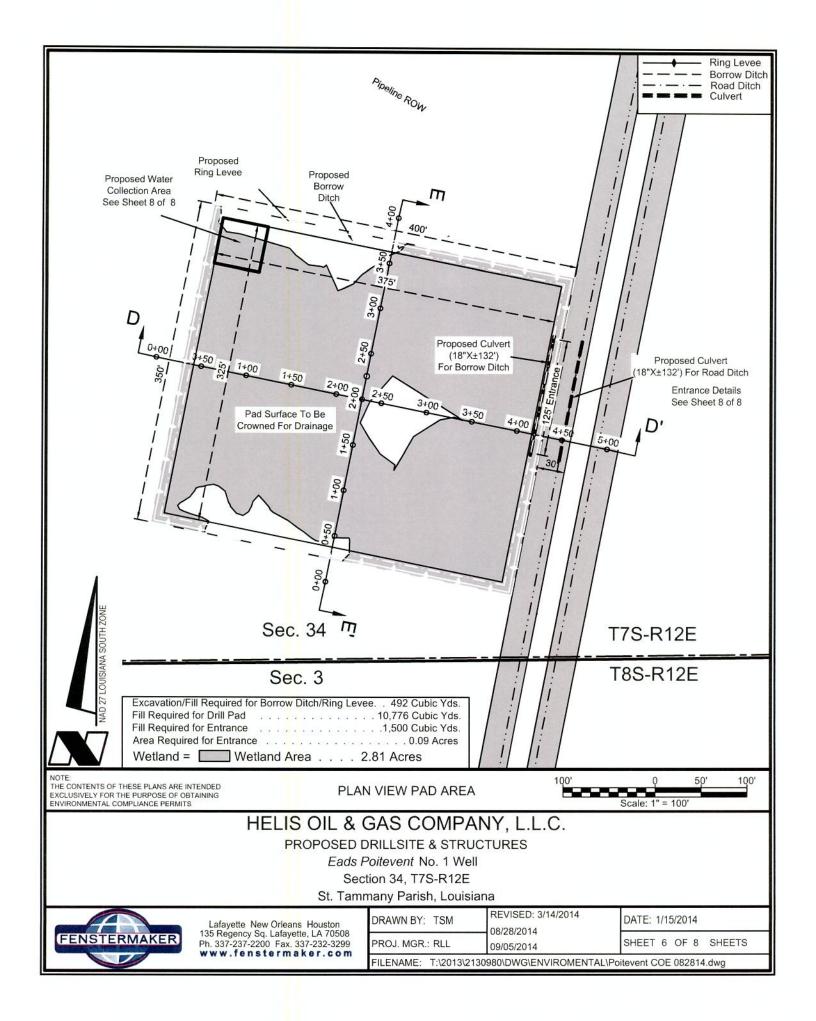
DATE: 1/15/2014

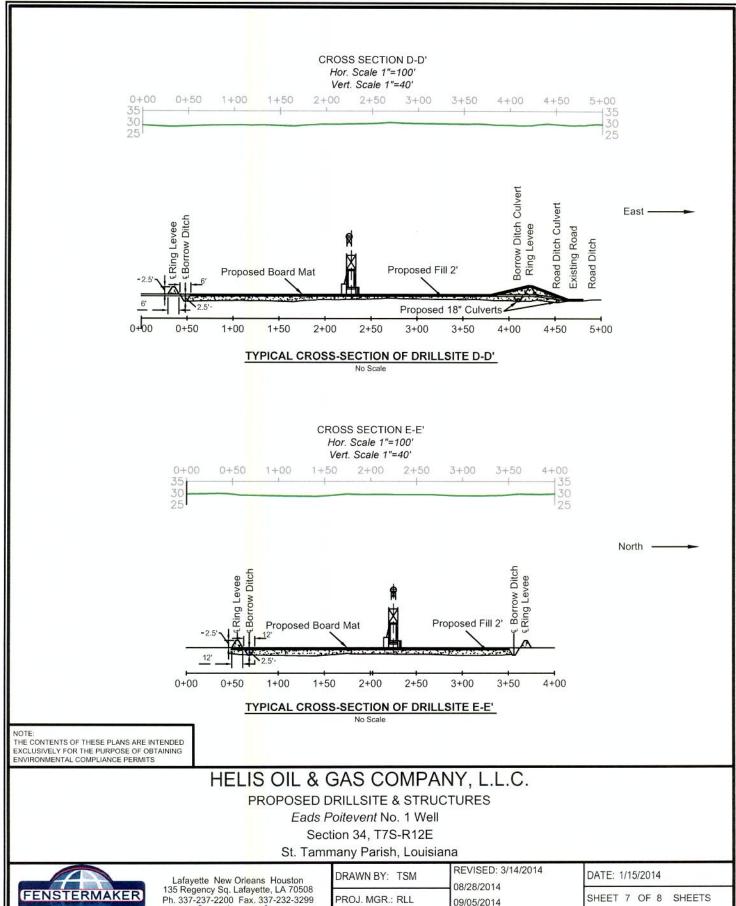
SHEET 4 OF 8 SHEETS

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09/05/2014







PROJ. MGR.: RLL

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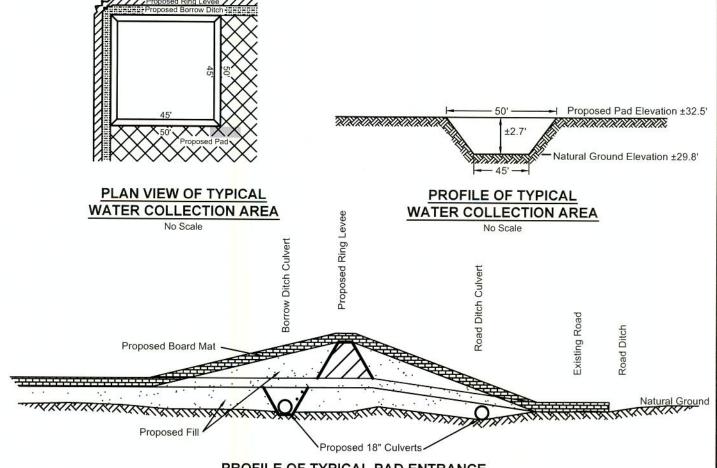
09/05/2014

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SHEET 7 OF 8

SHEETS

FENSTERMAKER



PROFILE OF TYPICAL PAD ENTRANCE

No Scale

NOTES:

- . Material for drillsite levees will be taken from within the leveed perimeter.
- Closure procedures, including onshore land treatment and/or offsite disposal of mud pit contents and other drilling residues, shall be conducted in accordance with appropriate Federal and State Regulations.
- In order to ensure the safety of all parties, the permittee shall contact the Louisiana ONE CALL System (1-800-272-3020), a minimum of 48 hours prior to the commencement of any excavation (Digging, Dredging, Jetting, etc.) or demolition activity.

NOTES - DRY HOLE SCENARIO

- 1. The boards will be removed from the access road and drill pad.
- The drill site and ring levees will be degraded within 90 days following abandonment. The levee material will be deposited, to
 the maximum extent practicable, into the borrow areas from which the material was excavated and the area will be leveled to
 as near pre-project conditions as practicable.
- The drill pad site will be allowed to naturally re-vegetate.

NOTE

THE CONTENTS OF THESE PLANS ARE INTENDED EXCLUSIVELY FOR THE PURPOSE OF OBTAINING ENVIRONMENTAL COMPLIANCE PERMITS

DISCLAIMER: At this time, C.H. Fenstermaker & Associates, LLC has not performed nor was asked to perform any type of engineering, hydrological modeling, flood plain, or "No Rise" certification analyses, including but not limited to determining whether the project will impact flood hazards in connection with federal/FEMA, state, and/or local laws, ordinances and regulations. Accordingly, Fenstermaker makes no warranty or representation of any kind as to the foregoing issues, and persons or entities using this information shall do so at their own risk.

HELIS OIL & GAS COMPANY, L.L.C.

PROPOSED DRILLSITE & STRUCTURES

Eads Poitevent No. 1 Well

Section 34, T7S-R12E St. Tammany Parish, Louisiana



Lafayette New Orleans Houston 135 Regency Sq. Lafayette, LA 70508 Ph. 337-237-2200 Fax. 337-232-3299 www.fenstermaker.com DRAWN BY: TSM REVISED: 3/14/2014 DATE: 1/15/2014

PROJ. MGR.: RLL 09/05/2014 SHEET 8 OF 8 SHEETS

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ADDENDUM A

18. Nature of Activity (Description of Project, include all features)

Helis has proposed an exploration and production project (the "Helis Project") that will be conducted in two, separate phases (referred to hereafter as "Phase 1" and "Phase 2" respectively). Phase 1 will include the development of a drill site for the drilling of a vertical well from which geologic information will be obtained to confirm the production potential of a sub-surface geologic formation over two miles below the land surface from which Helis seeks to extract oil and/or gas. Helis will design and construct the vertical well to accommodate production, so if, as Helis anticipates, the geologic data collected from the vertical well confirms the potential for economically viable mineral production from this deep formation, Helis intends to implement Phase 2 which will consist of the development of the drill site to support the drilling, development and production of minerals from a horizontal well to be advanced from the vertical well drilled in Phase 1 into the aforementioned deep sub-surface geologic formation.

However, in order to comply with the recommendation issued by the consulting geologist who oversaw the July 29, 2014 geological review ("Geological Review") of the Helis project, that the initial Helis 404 permit application be limited to Phase 1 of the Helis Project (i.e., the drilling of the vertical well) only, **Helis is limiting the scope of this amended 404 permit application to encompass the surface development required for Phase 1 only.** Any additional authorization from the USACE that may be required for implementation of Phase 2 of the Helis Project will be addressed as necessary in a separate, subsequent permit filing with the USACE.

Phase 1 of the Helis project which is the subject of this clarified and amended application will involve the installation of a well pad area with associated access road improvements to support the drilling of a vertical well using mechanized excavation and grading of surface materials. The proposed activity will include the following:

- (1) Installation of minor improvements to the existing access road (Log Cabin Road) that will encompass approximately 0.32 acre of jurisdictional wetlands including:
 - Three separate 20' x 100' bypasses to be placed over existing roadside ditches. Each bypass
 will be constructed by the placement of an appropriately sized drainage culvert into the
 existing ditch to maintain pre-existing drainage patterns, the backfilling of the ditch around
 the drainage culvert to grade using off-site fill and the placement of board mats over the
 fill. (See Sheets 2-5 of 8 for bypass detail)
 - A 30' x 30' guard shack to be placed over the existing roadside ditch and constructed in the same manner as the bypasses described above. (See Sheets 3 and 4 of 8 for guard shack detail)
 - Turning apron of approximately 0.04 acre at the intersection of Log Cabin Road and State Highway 1088 that will extend over portions of the roadside ditches adjoining the existing access road and state highway and which are to be constructed in the same manner as the bypasses described above. (See Sheets 3 and 4 of 8 for turning apron detail)

- (2) Development of a 3.21 acre drill site/pad area (which includes 2.81 acres of jurisdictional wetlands) required for the drilling of the proposed vertical well and the associated environmentally protective features to be employed by Helis in connection with the drilling of the vertical well including:
 - The excavation of a borrow ditch around the full perimeter of the 3.21 acre drill site (with the exception of a raised and sloped 125' section adjacent to the access road which will be used for the construction of an entrance way connecting the drill site to the access road). The borrow ditch will be used to collect, convey and manage storm water generated within the drill site and to supply native soils for the construction of the ring levee described below. (See Sheets 6 and 7 of 8 for borrow ditch detail)
 - The construction of a ring levee around the full perimeter of the 3.21 acre drill site (with the exception of the 125' section adjacent to the access road which will be used for the construction of an entrance way connecting the drill site to the access road). (See Sheets 6-8 of 8 for ring levee detail)
 - The construction of a partially elevated 3.21 acre drill site to be constructed by differential filling using off-site fill material and overlain by board mats in all areas except for a small 50'x50' storm water collection area in the northwest corner of the site and the borrow ditches. The pad area will be designed and utilized: to support the drilling and installation of the vertical well and the proposed installation of up gradient and down gradient monitor wells to assess and monitor the quality of groundwater in the Southern Hills Aquifer in the vicinity of the vertical well; and to provide storm water drainage and collection features required for the management and controlled discharge of uncontaminated storm water generated within the drill site during active drilling operations. The drill site will be grubbed to remove vegetation before the placement of fill and all grubbed material will be sent off-site for disposal. (See Sheets 6-8 of 8 for drill site detail)
- (3) A raised and sloped 125' wide entrance way connecting the 3.21 acre drill site to Log Cabin Road. The entrance way will be constructed by the placement of an appropriately sized drainage culvert into the existing roadside ditch between the drill site and the access road to maintain pre-existing drainage patterns, the backfilling of the ditch around the drainage culvert to grade using off-site fill and the placement of board matts over the fill. The entrance way will encompass 0.09 acre of jurisdictional wetlands. (See Sheets 6-8 of 8 for entrance way detail)
- 23. Description of Avoidance, Minimization, and Compensation (see instructions)

Helis will use the proposed vertical well to obtain geologic data to confirm the production potential of a very specific subsurface geologic zone. Although not officially classified as a wildcat well, the Helis well will be drilled in an unproven area with no appreciable historical oil and gas production. Because the area Helis seeks to drill remains largely unexplored and subsurface geologic information from the area is relatively sparse, Helis sought to locate its proposed well site in an area where the limited existing subsurface geologic information would be of the most benefit. The most critical information regarding the subsurface geology in the area is the geologic

information obtained from several previously drilled wells on the edge of the prospect (the "control wells"). One of the factors Helis used in selecting the proposed drill site was its proximity to the control wells; the utility of the control well data in identifying the presence and location of the targeted geologic zone decreases as distance from the control wells increases so the well site must be in reasonably close proximity to the control wells (hereafter the "control well area"). The location of the control wells in relation to the proposed drill site is identified in Attachment 1 hereto.

Because the control well area is so interspersed with jurisdictional wetlands Helis could not identify a suitable drill site location within this area that did not encompass wetlands. Helis has therefore sought to select and configure a site that would minimize the number of wetland acres impacted and that would meet other of Helis' site selection criteria. First, because the control well area south of the I-12 corridor consists of a much greater proportion of jurisdictional wetlands than the control area to the north of the I-12, Helis elected to locate its proposed well site to the north of the I-12 corridor to reduce wetland impacts.

Second, also to reduce the number of wetland acres impacted, Helis considered potential well sites located adjacent to existing access to the area/Log Cabin Road which can accommodate anticipated vehicular traffic to occur with well operations, without disturbing extensive wetland acreage for construction of new access.

Third, Helis selected a site location that would also meet sound planning criteria, including sufficient distance from: (a) public thoroughfares (Interstate 12 and Louisiana Highway 1088); (b) populated areas (e.g., City of Mandeville and Lakeshore High School); and (c) utility rights of way (e.g., existing underground pipelines and electrical transmission line corridors). Since selection of the proposed well site, Helis has confirmed that the site avoids recently-designated critical habitat for the Dusky Gopher Frog located to the northeast.

In selecting its proposed well location, Helis considered multiple alternative drill sites within the control well area during the pre-application scoping process. Using infrared and LIDAR data from the selected geographic area, and field inspections of the alternative well pad locations within the control well area, Helis chose a well site that contained isolated pockets of uplands which serve to reduce the total number of wetland acres impacted by the well pad.

In addition, Helis' revised plan adopts the recommendations from the Geological Review to reduce the footprint of the well pad. As originally proposed, Helis' site plan encompassed both Phase 1 (vertical well) and Phase 2 (horizontal well) on a **10.35 acre drill site** which included a surface water pond to accommodate both phases of the project as well as a proposed method of storm water management for the site. Based on the Geological Review, Helis has amended its application to encompass the surface development required for Phase 1 only – the drilling of the vertical well. Helis has **reduced the well pad size by approximately 70% to 3.21 acres -** the absolute minimum required for the Phase 1 drilling of the vertical well while maintaining effective surface water management.

Helis will also manage its activities at the selected well site location to minimize potential impact to area wetlands:

- Helis will manage site operations to ensure that contaminants are not discharged from the site into surrounding surface waters/wetlands:
 - Helis will use a self-contained, closed loop mud system to drill the vertical well; no reserve or production pits will be used in the drilling of the vertical well.
 - Deck drainage will be collected in the rig basement and transported off-site for disposal in accordance with all applicable regulations.
 - Sanitary waste water will be collected in portable facilities and transported off-site for disposal in accordance with all applicable regulations.
 - O Helis will implement best management practices and structural controls to ensure that only uncontaminated storm water is discharged from the site. Such practices and controls include but are not limited to: (1) implementation of a Spill Prevention, Control and Countermeasures (SPCC) plan; (2) use of structural controls (where appropriate) to retard the entrainment of sediment/constituents in site generated storm water; (3) filtration and sampling of site generated storm water to confirm its quality prior to controlled discharge from the site.
- Helis will seek authorization from the Louisiana Department of Natural Resources
 to install ground water monitor wells (i.e., "sentinel wells") both up gradient and
 down gradient from the proposed vertical well to assess and monitor the quality of
 groundwater in the Southern Hills Aquifer in the vicinity of the vertical well. The
 sentinel wells will be used solely for monitoring purposes; they will not supply
 water for any drilling activities to be conducted on the site.

Importantly, Helis' proposal has undergone Geological Review and the State Geologist has concluded that there are "No less damaging feasible alternatives" to the proposed Helis well site.

Finally, Helis intends to provide compensatory mitigation for any unavoidable wetland impacts resulting from its proposed activities by the reservation and acquisition of mitigation acreage from a suitable mitigation bank.

EXHIBIT C: Response to USACE 6/20/14 Request for Information (Responses limited to requests that pertain to the Phase 1 drilling of the vertical well only)

COE Request:

Many St. Tammany Parish residents expressed concerns regarding local traffic with respect to congestion and safety on the roads, of this area of the parish, due to the anticipated increase in number of large trucks and other equipment that would travel back and forth from the proposed site. Please address this issue detailing the logistics of planned/anticipated large pump trucks, storage tanks, trailer equipment, pickup trucks etc. Please respond to these concerns and describe the type of vehicles, an estimate of the number of vehicles and equipment anticipated for this proposal; the length of days, weeks or months the increased road traffic for this proposal is expected to last.

Helis Response:

Helis anticipates that the truck traffic will reach the well site by using Interstate 12, then taking the State Highway 1088 exit off of I-12. Once on State Highway 1088 the trucks will travel 2 miles east until they get to Log Cabin Road which will take the trucks to the well site. Log Cabin Road is a privately owned road. The road has been in place for years and it normally used in the Weyerhaeuser timber business. Along the 2 miles of State Highway 1088 going east from I-12 there are no residences and no businesses. The only thing on the State Highway 1088 in our area is a public high school. The turn off for Lakeshore High School is located about 300' past where we will turn off State Highway 1088 onto Log Cabin Road. During Phase 1, Helis anticipates an average traffic volume of 4-5 large 18-wheel type trucks and 10-20 pickup truck type vehicles per drilling day (a drilling day is 24 hours; so 5 large trucks per drilling day equals roughly 1 truck per every 5 hours). If the drilling rig is running casing or cementing casing we could have more truck traffic and would have pump trucks moving on those days. Helis has spoken to Parish President Pat Brister and members of the Parish School Board and has proposed the following: Helis will keep all large trucks off of State Highway 1088 during the 2 hours in the morning that Lakeshore High School students and facility will be arriving to school. Helis will also keep all large trucks off of State Highway 1088 during the 2 hours in the afternoon when the high school is releasing students. Helis will also have security at the turn in from State Highway 1088 onto Log Cabin Road. Helis plans to coordinate its activity with the St. Tammany Parish Sheriff's Department. If available, Helis will hire and deploy off-duty Sheriff Deputies at the Log Cabin Road entrance 24 hours per day. If a traffic situation develops the deputies will be on-site to respond and to call the St. Tammany Parish Sheriff's Department if additional assistance is required. Phase I will cover the mobilization of the drilling rig onto the site, the

drilling of a 13,000' vertical hole and moving the drilling rig off location. This phase will take +/- 30 days. Helis will then have no activity at the well site for 3-4 months as it evaluates the data gathered from the drilling, coring and logging of the vertical pilot hole.

COE Request:

From development through end of production, what would the estimated water use for a single wellbore be? Please indicate what water resources are intended to be used for the water required during the full development and production phases of this project. Please describe what measures you have taken to coordinate the proposed water usage, of this project, with state and/or local water utility authorities.

Helis Response:

Helis estimates that the water requirements for the Phase 1 drilling of the vertical well to be +/- 800,000 gallons. Helis has committed to the State of Louisiana and to the St. Tammany Parish government that it will not use water from the aquifer system for its drilling operations. Helis will also not use water from streams or bayous that might be in its area of operations. Water will be obtained from private ponds in the area.

COE Request:

Will the proposed activity involve underground injection of diesel fluids for hydraulic fracturing and if it will, has an application for a UIC permit been submitted to the EPA?

Helis Response:

This Request does not pertain to Phase 1 of the Helis Project which is the subject of the clarified and amended 404 permit application.

COE Request:

Frac Fluid Migration - Pathway 1 - Migration of Fluids Through a Faulty Injection Well Casing:

Helis Response:

This Request does not pertain to Phase 1 of the Helis Project which is the subject of the clarified and amended 404 permit application.

COE Request:

Frac Fluid Migration - Pathway 2 - Migration of Fluids Through the Annulus Located Between the Casing and the Well Bore:

Helis Response:

This Request does not pertain to Phase 1 of the Helis Project which is the subject of the clarified and amended 404 permit application.

COE Request:

Frac Fluid Migration - Pathway 3 - Migration of Fluids from an Injection Zone Through the Confining Strata:

Helis Response:

This Request does not pertain to Phase 1 of the Helis Project which is the subject of the clarified and amended 404 permit application.

COE Request:

Frac Fluid Migration - Pathway 4 - Vertical Migration of Fluids Through Improperly Abandoned and Improperly Completed Wells:

Helis Response:

This Request does not pertain to Phase 1 of the Helis Project which is the subject of the clarified and amended 404 permit application.

COE Request:

Frac Fluid Migration - Pathway 5 – Lateral Migration of Fluids from Within an Injection Zone into a Protected Portion of that Stratum:

Helis Response:

This Request does not pertain to Phase 1 of the Helis Project which is the subject of the clarified and amended 404 permit application.

COE Request:

Frac Fluid Migration - Pathway 6 - Direct Injection of Fluids into or above an Underground Source of Drinking Water:

Helis Response:

This Request does not pertain to Phase 1 of the Helis Project which is the subject of the clarified and amended 404 permit application.

COE Request:

Please describe what measures have been taken or will be taken, for this proposal to comply with the EPCRA requirements? If Helis intends to use diesel fluids injection for underground fracturing please describe what measures will be taken to mitigate the six potential pathways of contamination migration to the St. Tammany USDW? If diesel fuels will not be used for hydraulic fracturing procedures, in the public interest, please describe what measures / BMPs will be used to reduce the risk of entry of contamination, into the parish's USDW.

Helis Response:

While this request pertains principally to Phase 2 of the Helis Project, Helis notes that in its commitment to safety of the community and emergency response organizations within the parish, Helis has setup at our own expense a training program to meet the requirements of LAC 33 Part V Section 10107 and Emergency Planning and Community Right-to-Know Act (EPRCA) standards 40 CFR Parts 350-372. Helis will provide this training to all personnel identified by St. Tammany Parish. This one day program will provide St. Tammany Parish 1st Responders with information on:

- Contents of the Emergency Action Plan (EAP) which has been prepared for the drill site (copies will be filed with the Emergency Response Commission via the Louisiana State Police and the Local Emergency Planning Committee in compliance with LAC 33 Part V Section 10107)
- Response procedures in the unlikely event of a well control incident
- Chemicals to be used and stored on site (MSDS)

- Emergency communication protocols and contacts information found in the EAP
- Command and Control procedures Helis will utilize in the unlikely event of an incident requiring parish emergency response resources
- Introduction to Wild Well Control and corresponding training of 1st Responders

Once the drill site is established and before commencement of drilling operations Helis will contact the St. Tammany Local Emergency Planning Committee (LEPC) to coordinate a walk though of the facility to familiarize 1st Responders with specifics of the drill site:

- Access route to drill site
- Layout of drill site
- Emergency Shut Down procedures
- Location of chemical stores
- Location of critical equipment
- Review Emergency Notification Procedures
- Location and anticipated duration of the drilling operations
- Name and telephone numbers of facility personnel to contact in the case of an emergency; and

During operations, copies of the MSDS shall be maintained on the drill site, accessible to all crew members, and will be reviewed in safety meetings prior to a chemical's use onsite. Safety meetings will be documented and copies maintained onsite, in contractor's office, and a copy forwarded to the designated Helis representative. This requirement will be included in the HazCom section of the Safe Work Practices Plan (SWPP) for each contractor.

Helis will install surface casing in the vertical well and if the geologic data collected from the well confirms potential productivity sufficient for Helis to proceed with Phase 2, Helis will install a second well casing in the vertical well prior to the completion of Phase 1.

Additional safety procedures related to hydraulic fracturing will be addressed in connection with any future application required for Phase 2 operations.

COE Request:

The Corps of Engineers attached to its request for a response to a letter of objection from St. Tammany Parish Councilman, Jacob B. Groby III, and specifically described Mr. Groby's discussion of the zoning which he asserts is applicable to the lands covered by our

application. Mr. Groby contends that its zoning ordinances would preclude the oil and gas operations contemplated by this application.

Helis Response:

Under established Louisiana law, St. Tammany Parish does not have the statutory power preclude the drilling of oil and gas wells within the Parish, as Louisiana law vests the Commissioner of Conservation with the sole authority regarding drilling operations for oil and gas in Louisiana. La. R.S. 30:28(f) expressly states that "No other agency or political subdivision of the state has the authority and they are hereby expressly forbidden to prohibit or in any way interfere with the drilling of a well or test well in search of minerals" under a permit issued by the Commissioner of Conservation. This clear, far reaching principle has been consistently upheld by the Courts. See for example, Energy Management Corp. v. City of Shreveport ("Energy Management"), 397 F. 3d 297 (5th Cir. 2005), aff'd and remanded by 467 F. 3d 471 (5th Cir. 2006). The Fifth Circuit noted that the statute "reflects a desire for state uniformity and addresses the danger of conflict between the state program and enforcement of local laws." [397 F. 3d 297, at 303-304]. If the Corps of Engineers were to allow the zoning ordinances cited by Mr. Groby to preclude the operations contemplated by Helis, it would destroy such uniformity and the balance the Louisiana Legislature sought to create in enacting that statute.

The Fifth Circuit's decision in <u>Energy Management</u> is also relevant to the other concern raised by Mr. Groby, the protection of the Southern Hills aquifer. As the Court in <u>Energy Management</u> noted, Louisiana law "gives the Commissioner the authority to issue regulations and orders to 'ensure ground water aquifer safety." [397 F. 3d 297, at 304]

Prior to commencing drilling operations, Helis must obtain a drilling permit from the Commissioner of Conservation. The Commissioner would consider the safety of the ground water in the course of considering the permit application. That is the venue in which the arguments that Mr. Groby raises are to be addressed. If the permit is denied, no drilling operations will take place. If however the permit is granted, then under the clear provisions of Louisiana law, as followed by the Fifth Circuit in Energy Management, the St. Tammany Parish zoning ordinances cannot prohibit or interfere with the operations to take place pursuant to such permit. For this reason, such zoning ordinances are simply not relevant to the application filed by Helis here.

Finally, Mr. Groby makes a relatively brief reference to the issue of mitigation for the usage of wetlands contemplated by our application. Helis's efforts to avoid, minimize and ultimately mitigate the impact of its project on wetlands have been documented in Helis's clarified and amended 404 permit application submitted in conjunction with this

Response and as concluded in the recommendations issued by the geological review, there are "no less damaging feasible alternatives" to the drill site location selected by Helis.

Upon reviewing the information presented by Helis, the consulting geologist at the GR recommended that a single exploratory well be constructed for the purpose of obtaining more data to better assess the site's viability as an oil and gas production site. CEMVN concurred with that recommendation concluding that the site's viability for production of fossil fuels, at this juncture, is speculative and that processing an application for a production site would not be in accordance with the Corps Regulatory Guidance requirements stipulating avoidance and minimization procedures to be followed for proposed wetland impacts nor would it be in the public interest. CEMVN requested Helis to submit revised plans proposing a single exploratory well for the purpose of obtaining the additional data/information necessary for CEMVN to evaluate whether the site is the less environmentally damaging alternative, in the public interest and for the applicant's desired goal of producing fossil fuels in this geographical area.

CHARACTER OF WORK: Clear, grade, excavate, and fill to construct a well pad and make access road improvements to install and service a single drill rig for the purpose of obtaining geological data from this area of the Tuscaloosa Shale Play. The proposed well pad site is 3.21 acres, of which 2.81 acres are jurisdictional wetlands. Access road improvements and the construction of a guard shack would result in an additional 0.32 acre of wetland impacts for a total of 3.13 acres of wetlands to be directly impacted by the proposed work. The site plans have incorporated a ditch and ring levee abutting and circumventing the drill pad and would be contiguous with a planned 125 ft elevated entrance driveway. The drill pad surface has been designed with sloping features to drain stormwater to a 2,500 sq ft drainage sump within the drill site and abutting the perimeter ditch. The design is for the purpose of managing stormwater runoff within the drill pad site for containment, use and proper disposal. The applicant states that +800,000 gallons of water would be required for this single vertical well operation and that it would be obtained from private ponds. The drill rig deck design incorporates a basement/sump underneath the rig to capture drill deck drainage for collection, transport and proper offsite disposal. The applicant proposes to install so called "sentinel wells" up-gradient and downgradient of the well site to assess and monitor water quality of the Southern Hills Aquifer in the vicinity of the well site. The applicant proposes to compensate for unavoidable wetland impacts by purchasing the appropriate credits from a Corps approved mitigation bank.

The comment period for the Department of the Army Permit and the Louisiana Department of Environmental Quality WQC will close 30 days from the date of this joint public notice. Written comments, including suggestions for modifications or objections to the proposed work, stating reasons thereof, are being solicited from anyone having interest in this permit and/or this WQC request and must be mailed so as to be received before or by the last day of the comment period. Letters concerning the Corps of Engineers permit application must reference the applicant's name and the Permit Application Number, and be mailed to the Corps of Engineers at the address above, ATTENTION: REGULATORY BRANCH. Similar letters concerning the Water Quality Certification must reference the applicant's name and the WQC Application number and be mailed to the Louisiana Department of Environmental Quality at the address above. In accordance with the Corps Regulatory Policies found within 33 CFR Part 325, Paragraph 325.2 (d) (2), this comment period is not to exceed 30 days from the date of this joint public notice.

Corps of Engineers Permit Criteria

The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts of the proposed activity on the public interest. That decision will reflect the national concern for both protection and utilization of important resources. The benefit which reasonably may be expected to accrue from the proposal must be balanced against its reasonably foreseeable detriments. All factors which may be relevant to the proposal will be considered including the cumulative effects thereof; among those are conservation, economics, aesthetics, general environmental concerns, wetlands, historic properties, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership and, in general, the needs and welfare of the people.

The U.S. Army Corps of Engineers is soliciting comments from the public, federal, state, and local agencies and officials, Indian Tribes, and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the U.S. Army Corps of Engineers to determine whether to make, modify, condition, or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

The New Orleans District is unaware of properties listed on the National Register of Historic Places near the proposed work. The possibility exists that the proposed work may damage or destroy presently unknown archeological, scientific, prehistorical, historical sites, or data. Issuance of this public notice solicits input from the State Archeologist and State Historic Preservation Officer regarding potential impacts to cultural resources.

The Corps is unaware of any species or designated critical habitat, listed by the Endangered Species Act (ESA), which may be directly affected by the proposed activity. Our initial finding is that the proposed work would neither affect any ESA listed species nor affect any habitat designated as critical to the survival and recovery of any ESA listed species. CEMVN's final determination, relative to project affecting any ESA listed species or any designated critical habitat, is subject to review by and coordination with the US Fish and Wildlife Service.

This notice initiates the EFH consultation requirements of the Magnuson-Stevens Fishery Conservation and Management Act. The proposal would result in temporary adverse impacts to N/A acres of EFH utilized by various life stages of red drum and penaeid shrimp. CEMVN's final determination relative to project impacts and the need for mitigation measures is subject to review by and coordination with the National Marine Fisheries Service.

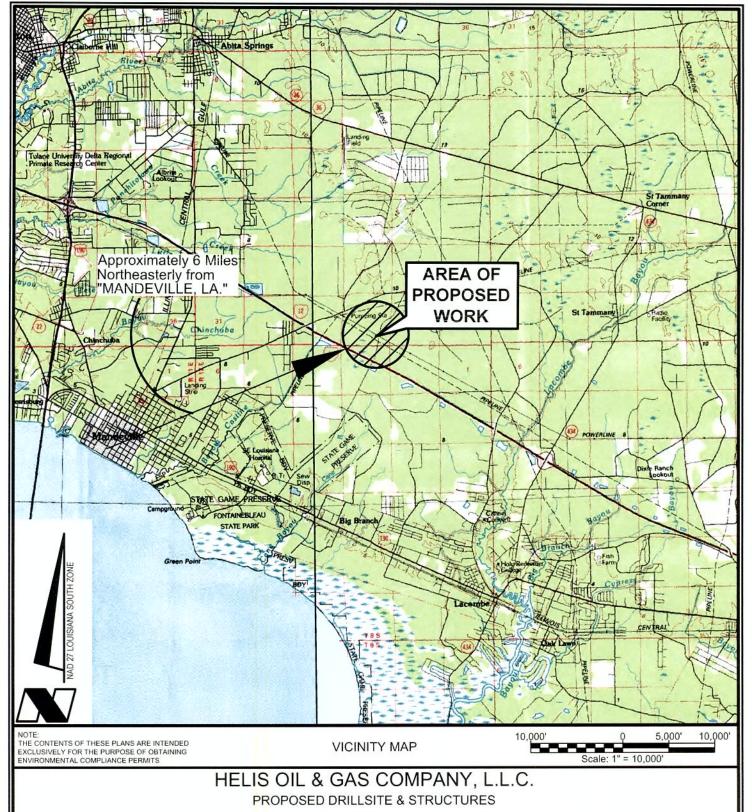
If the proposed work involves deposits of dredged or fill material into navigable waters, the evaluation of the probable impacts will include the application of guidelines established by the Administrator of the Environmental Protection Agency. Also, a certification that the proposed activity will not violate applicable water quality standards will be required from the Department of Environmental Quality, Office of Environmental Services, before a permit is issued.

Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, the reasons for holding a public hearing.

You are requested to communicate the information contained in this notice to any other parties whom you deem likely to have interest in the matter.

Michael V. Farabee Chief, Eastern Evaluation Section Regulatory Branch

Attachments



Eads Poitevent No. 1 Well Section 34, T7S-R12E St. Tammany Parish, Louisiana

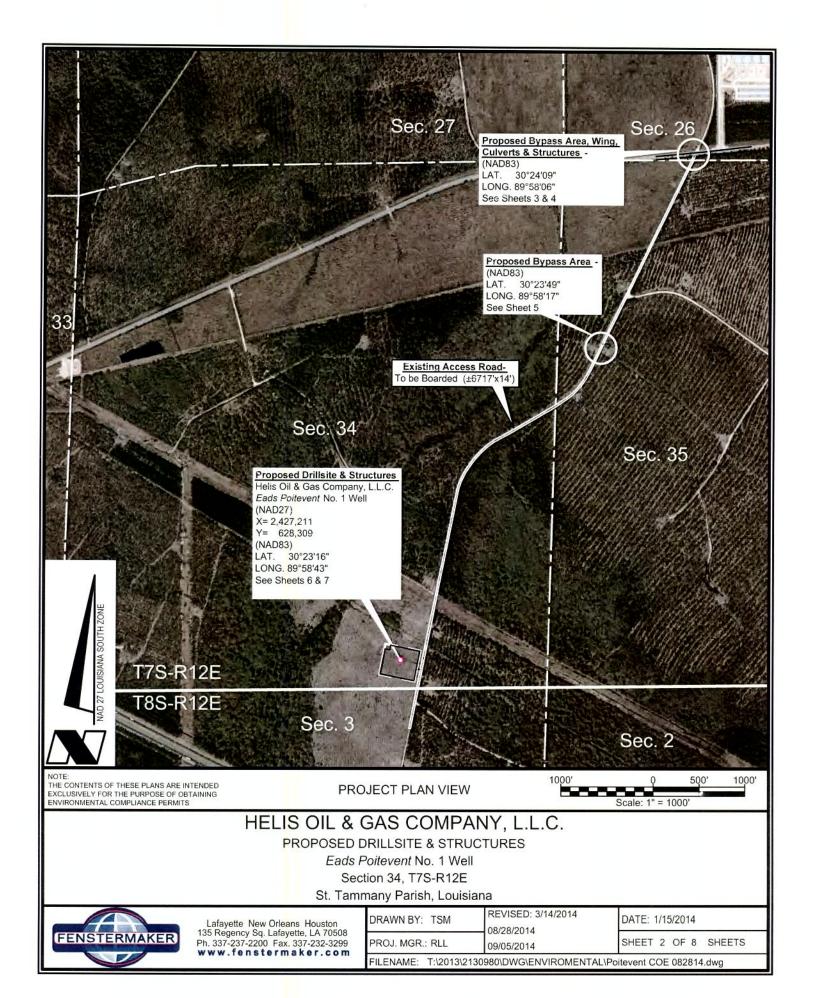


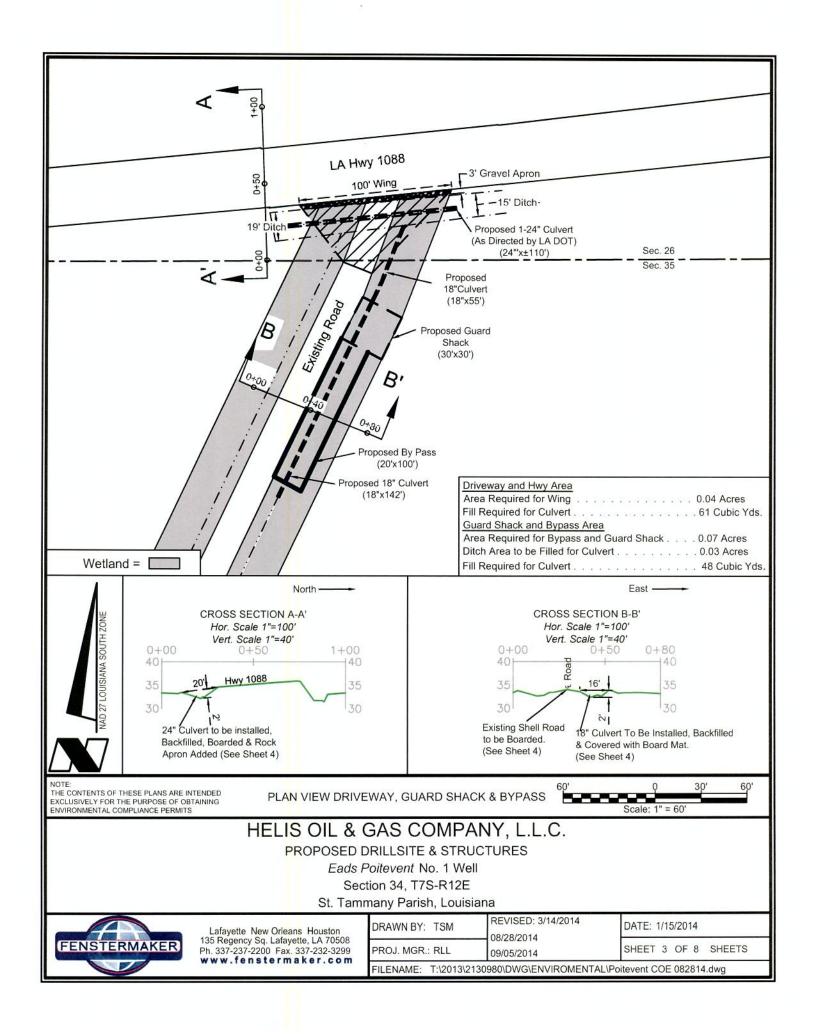
Lafayette New Orleans Houston 135 Regency Sq. Lafayette, LA 70508 Ph. 337-237-2200 Fax. 337-232-3299 www.fenstermaker.com

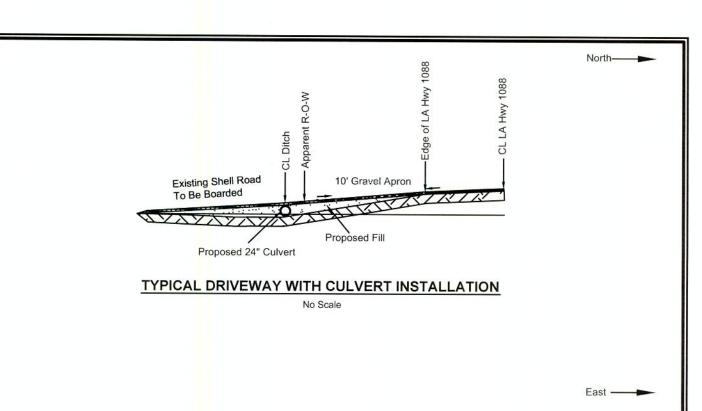
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PROJ. MGR.: RLL		SHEET 1 OF 8		

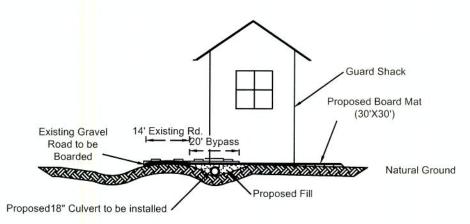
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SHEETS









Culvert to be installed in ditch, filled and covered with Boarded Mat or Boarded Bypass.

TYPICAL BYPASS, GUARD SHACK & CULVERT INSTALLATION

No Scale

NOTE: THE CONTENTS OF THESE PLANS ARE INTENDED EXCLUSIVELY FOR THE PURPOSE OF OBTAINING ENVIRONMENTAL COMPLIANCE PERMITS

HELIS OIL & GAS COMPANY, L.L.C.

PROPOSED DRILLSITE & STRUCTURES

Eads Poitevent No. 1 Well

Section 34, T7S-R12E

St. Tammany Parish, Louisiana

PROJ. MGR.: RLL



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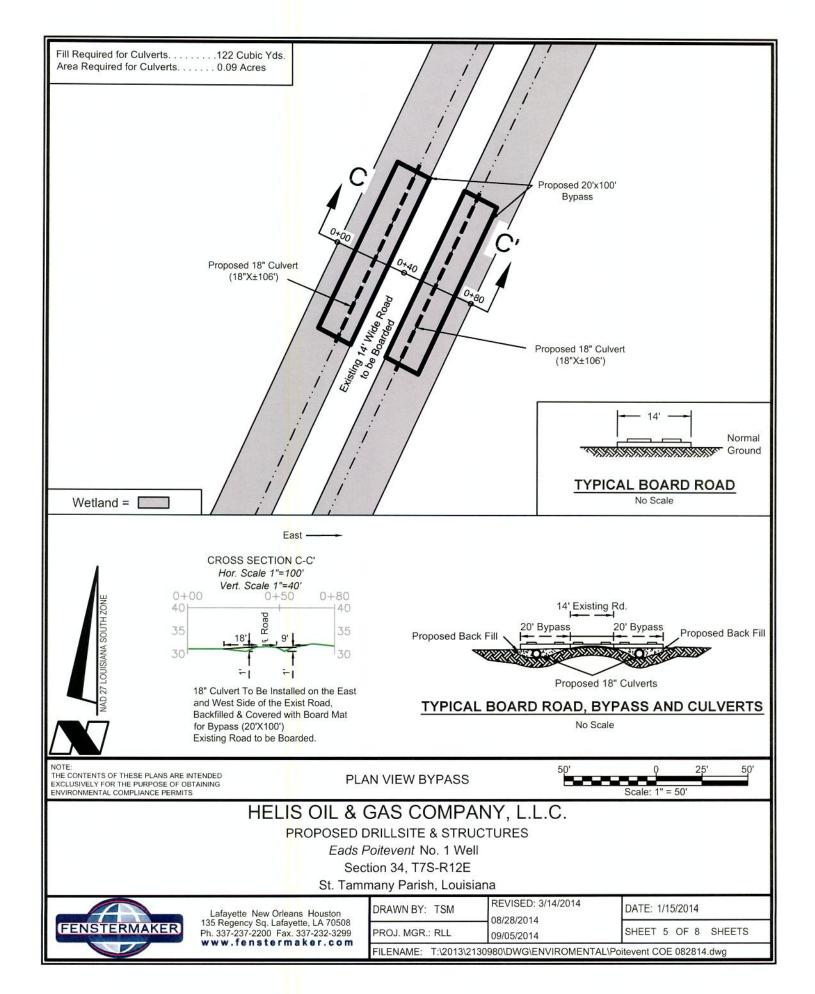
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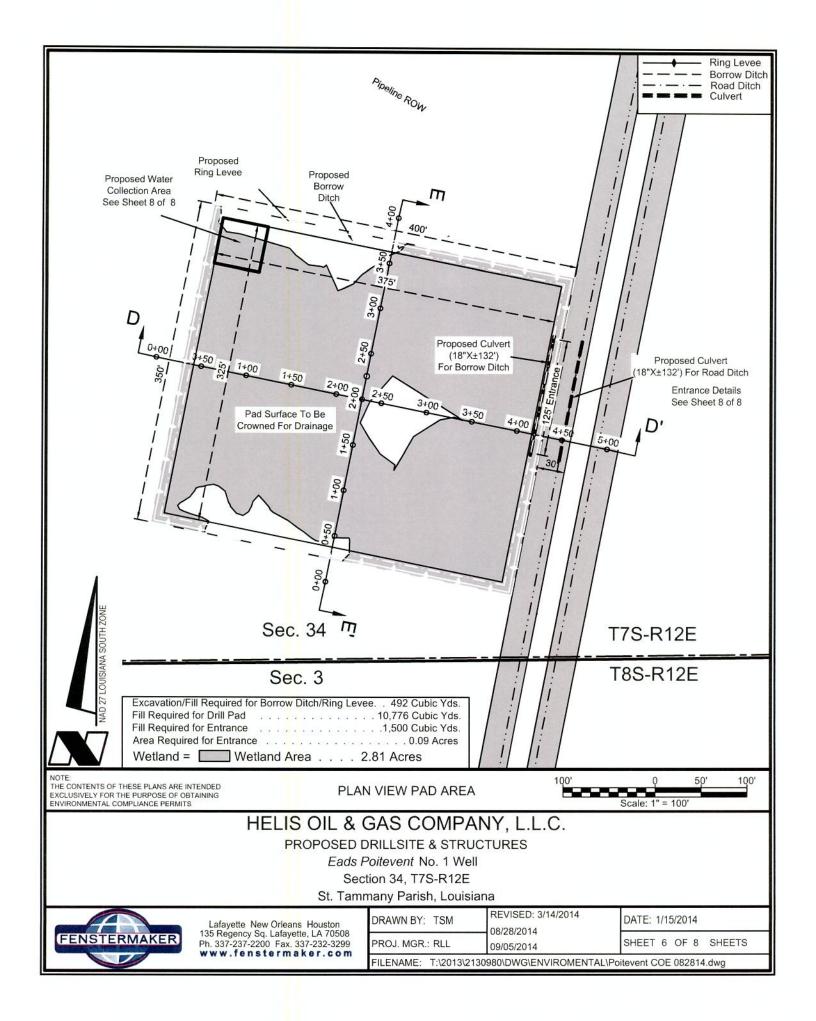
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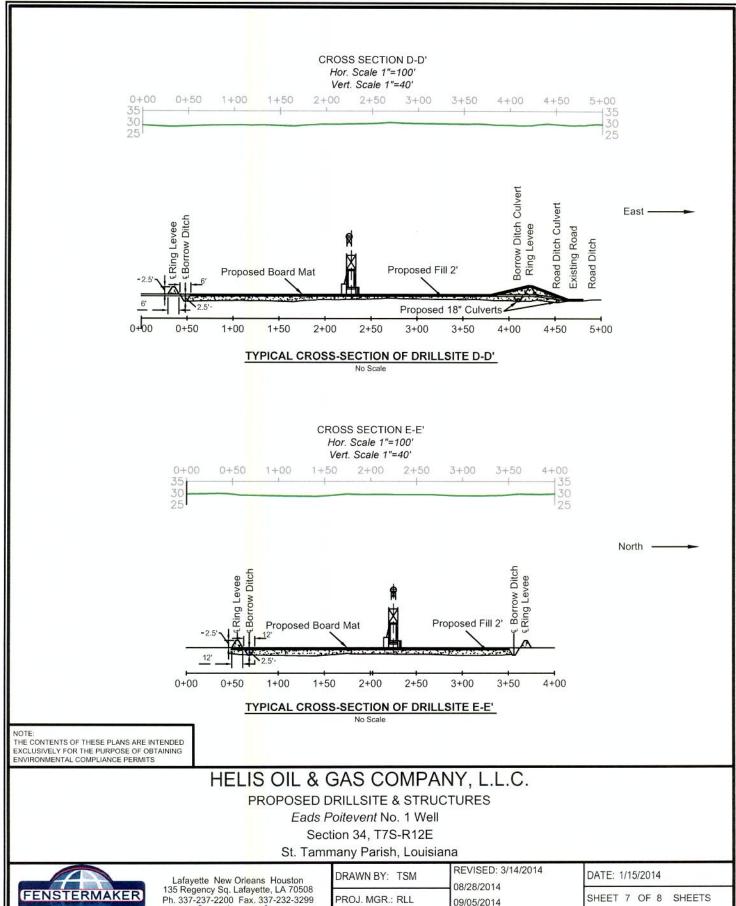
SHEET 4 OF 8 SHEETS

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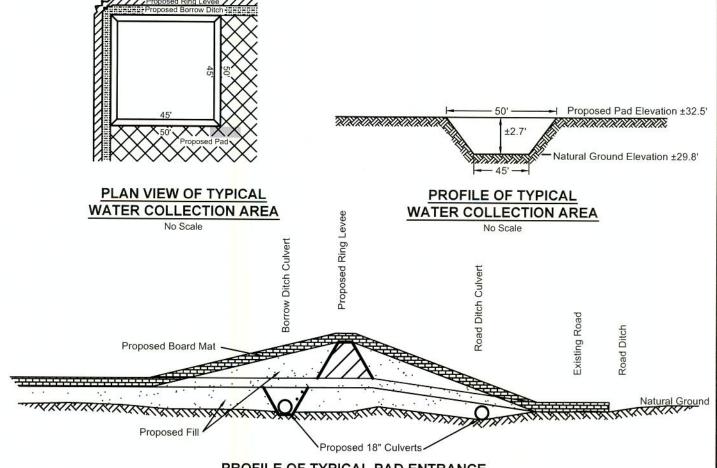
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SHEET 7 OF 8

SHEETS

FENSTERMAKER



PROFILE OF TYPICAL PAD ENTRANCE

No Scale

NOTES:

- . Material for drillsite levees will be taken from within the leveed perimeter.
- Closure procedures, including onshore land treatment and/or offsite disposal of mud pit contents and other drilling residues, shall be conducted in accordance with appropriate Federal and State Regulations.
- In order to ensure the safety of all parties, the permittee shall contact the Louisiana ONE CALL System (1-800-272-3020), a minimum of 48 hours prior to the commencement of any excavation (Digging, Dredging, Jetting, etc.) or demolition activity.

NOTES - DRY HOLE SCENARIO

- 1. The boards will be removed from the access road and drill pad.
- The drill site and ring levees will be degraded within 90 days following abandonment. The levee material will be deposited, to
 the maximum extent practicable, into the borrow areas from which the material was excavated and the area will be leveled to
 as near pre-project conditions as practicable.
- The drill pad site will be allowed to naturally re-vegetate.

NOTE

THE CONTENTS OF THESE PLANS ARE INTENDED EXCLUSIVELY FOR THE PURPOSE OF OBTAINING ENVIRONMENTAL COMPLIANCE PERMITS

DISCLAIMER: At this time, C.H. Fenstermaker & Associates, LLC has not performed nor was asked to perform any type of engineering, hydrological modeling, flood plain, or "No Rise" certification analyses, including but not limited to determining whether the project will impact flood hazards in connection with federal/FEMA, state, and/or local laws, ordinances and regulations. Accordingly, Fenstermaker makes no warranty or representation of any kind as to the foregoing issues, and persons or entities using this information shall do so at their own risk.

HELIS OIL & GAS COMPANY, L.L.C.

PROPOSED DRILLSITE & STRUCTURES

Eads Poitevent No. 1 Well

Section 34, T7S-R12E St. Tammany Parish, Louisiana



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PROJ. MGR.: RLL 09/05/2014 SHEET 8 OF 8 SHEETS

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