APPENDIX C: LAND RIGHTS MEMORANDUM

CPRA
Coastal Protection and Restoration Authority of Louisiana

State of Louisiana

BOBBY JINDAL
GOVERNOR

MEMORANDUM

June 26, 2013

To: Kenneth Bahlinger, CPRA Project Manager

From: Angela Thomas, CPRA Land Rights Division

RE: Completion of Landrights
Grand Liard Marsh & Ridge Restoration Project (BA-68)
Plaquemines Parish, Louisiana

The CPRA Land Division has completed landrights necessary to proceed to construction contracting on the above referenced project. The following information has already been provided to you.

X *Servitude Agreement(s)*	_____ *Mineral Operations Agreement(s)*
_____ *Servitude Amendment (Integrated Coastal Protection)*	X *Grant of Particular Use*
	_____ *State Land Office Letter of No Objection*
X *Pipeline Notices of Construction*	_____ *Assignment of Rights to Federal Sponsor*
_____ *Oil/Gas Operator Agreement(s)*	_____ *Landrights Certification Letter*
_____ *Memorandum(s) of Agreement*	_____ *Other: Corp of Engineers Consent*
X *CWPPRA Section 303(e) approval*	X *Other: Request for Notice of Seizure*
_____ *Right(s)of Entry for Construction*	X *Other: Cooperative Agreement with OOC*

Please note the following information that will need to be included in the contract specifications and/or for future monitoring, operations and maintenance site visits:

I. Landowner Information

A. Tract No. 1:
Nugon Property Resources, LLC ("Nugon")
Attn: Robert W. Nugon, Jr.
2292 Cloverdale Avenue
Baton Rouge, LA 70808

B. Tract No. 2:
The Louisiana Land and Exploration Company LLC ("LL&E)
Attn: Jeff DeBlieux
P.O. Box 7097
Houma, LA 70361

C. Tract No. 3:
Campbellton Corporation ("Campbellton")
c/o J. Warren Doyle, Doyle Land Services
880 Commerce Road West, Suite 104
New Orleans, LA 70123

D. Tract No. 4:
Plaquemines Parish Government ("PPG")
Attn: William H. Nungesser, President
8056 Highway 23
Belle Chase, LA 70037

E. State Water Bottoms:
State Land Office, Division of Administration ("SLO")
Attn: Administrator
Phone: (225) 342-4575

II. Landowner (Grantor) Notification Requirements

A. The following notice language is in Paragraph 6 of the Grant of Particular Use and Right of Entry for Construction (the "GPU") between CPRA and SLO: "Pursuant to the Permits and Responsibilities clause, you are required to contact the Administrator of the State Land Office or his representative at (225) 342-4575, to notify the Office when construction will commence on the State-owned seashore, State lands and/or State water bottoms."

B. The following notice language is in Article II of the CPRA standard form Temporary Easement, Servitude and Right-of-Way Agreement (the "Agreement") with all of the above referenced landowners: "Contractor agrees to give reasonable notice to GRANTOR(s) prior to initiation of access to the said Lands for the purpose of implementing, constructing, operating, modifying, monitoring and maintaining the Project."

C. In addition to the notice language in the CPRA standard form servitude agreement, the following notice language is in Paragraph 5 of Exhibit C of the Campbellton Corporation ("Campbellton") Agreement: "The provisions of Article II of this Agreement notwithstanding, STATE agrees to give reasonable

notice to GRANTOR of at least forty-eight hours prior to initiation of access to the said Lands for the purpose of implementing, constructing, operating, modifying, monitoring, or maintaining the Project. Notification shall be issued by U.S. mail or commercial delivery service to Campbellton Corporation, c/o Warren Doyle, Doyle Land Services, 880 Commerce Road West, Suite 104, New Orleans, Louisiana 70123, and also via either telephone at (504) 818-1118 or (281) 755-6259, or email at jwdoyle@doyleland.com. However, GRANTOR may change any of these addresses, telephone or fax numbers, or email addresses in writing delivered to CPRA, Land Rights Division, 450 Laurel Street, Suite 1200, Baton Rouge, Louisiana 70801. STATE agrees to send GRANTOR a copy of the Notice to Proceed for the Project upon issuance to STATE'S contractor.

III. General Provisions in Agreements

A. Article III in all of the Agreements provides that... "To the extent permitted by Louisiana law, STATE shall, indemnify, and hold harmless GRANTOR(s) against and from all costs, expenses, claims, demands, penalties, suits, fines, and actions of any kind and nature arising from the Project and caused by the actions and fault of STATE or its agents, employees, contractors, successors, assigns and transferees, including any court costs and reasonable and actual litigation expenses and attorneys' fees. However, nothing herein shall be construed as indemnifying or holding GRANTOR(s) or any third person not a party hereto harmless against its own fault or negligence or that of its agents, employees, contractors, successors, assigns and transferees."

B. Article III in all of the Agreements also provides that ..."Should work on said Lands be performed via contract, STATE shall ensure that the Contractor lists GRANTOR(s) as additional insured(s) on any policies carried by the Contractor, including completed operations coverage. The STATE acknowledges, declares and stipulates that GRANTOR has provided this Agreement at no cost to the STATE under the provisions of La. R.S. 49:214.6.10 C, as amended by 2010 Acts No. 734. This clause shall survive the term of this Agreement."

C. Article IV in all of the Agreements provides that ... "STATE shall be responsible for repair in like manner of any fences, bridges, roads, and other similar facilities and appurtenances located on said Lands which may be damaged or destroyed by STATE, or its designees while on said Lands, but such repair shall be to that condition which existed immediately prior to STATE's activities. STATE shall remove or dispose of all debris associated with construction, operation and maintenance of the Project."

D. Article X in all of the Agreements states that the "Agreement(s) shall remain in effect for the twenty-five (25) year life of the project from the date of signature of the State, unless sooner released by STATE."

IV. Special Conditions in Agreements

Exhibit "C" to LL&E Agreement

I. Should work on said Lands be performed via a STATE contract or a Federal contract, STATE shall file a request with the Clerk of Court in the Parish where work is to be performed to be notified of any suit and/or lien placed or filed against GRANTOR'S Lands involved in this Project; STATE shall notify GRANTOR of any such suit and/or lien within 5 days of being notified by the Clerk of Court; and STATE shall cause any such lien filed against GRANTOR'S Lands to be bonded out and the inscription of such lien against GRANTOR'S Lands noted as cancelled on the records of the office of such Clerk of Court within thirty (30) days of the STATE being notified that such lien has been filed against GRANTOR'S Lands.

(**NOTE**: In accordance with Article I of Exhibit C above, a Request for Notice of Seizure has been recorded with the Plaquemines Parish Clerk of Court)

II. STATE shall verify that every contractor working on LL&E property shall maintain in full force, during the entire existence of this Agreement, Workman's Compensation Insurance in an amount necessary to satisfy the minimum requirements of the laws of the State of Louisiana.

III. GRANTOR shall further have and expressly reserves unto itself, its heirs, successors, assigns, transferees or lessees (collectively, "Grantor"), the right to alter any shoreline stabilization structures and/or levees, bulkheads, dams or other similar structures that may be placed across any canal or other waterway on the Lands (collectively, "structures"), subject to the following conditions:

a. The only allowable purpose of such alteration is for necessary access for the exploration and production of oil and/or gas which is not otherwise available;

b. GRANTOR where practicable, shall provide STATE with sixty (60) days advance written notice of its intent to alter said structures, except where emergency conditions require a rapid response, in which event GRANTOR shall provide written notice to STATE within forty-eight (48) hours after a decision is made to take emergency action. For non-emergency activities, GRANTOR agrees to consider and use alternate locations, if technically and economically feasible, to avoid alteration of said structures;

c. For shoreline stabilization structures, the alteration shall consist of the removal of shoreline stabilization structures to establish a canal not to

exceed eighty (80) feet wide. Dredged earthen material and/or sediment is to be used so as to establish and maintain a continuous spoil bank around the canal, as shown on Exhibit A;

d. Within three (3) months after production has ceased, or within three (3) months after a well is determined to be a dry hole, GRANTOR shall:

i. establish an earthen, rock plug or other suitable canal closure approved by the STATE across the canal as shown on Exhibit A in accordance with specifications (including gradation of rock, foundation support, e.g. geotextile, and dimensions) to be provided by the STATE; or

ii. establish a concrete sheet pile wall or other suitable closure approved by the STATE across the canal in accordance with specifications to be provided by the STATE; and

iii. if necessary to establish sufficient water circulation as jointly determined and defined by GRANTOR, STATE and the U.S. Fish and Wildlife Service, construct gaps in canal spoil bank.

e. Any such alteration, including subsequent restorations, or rebuilding of structures, shall be implemented at no cost to STATE.

IV. This Agreement is subject to and subordinate to all existing contracts of record affecting said Lands.

V. State agrees to maintain all structures and/or appurtenances placed on said Lands in good order and repair during the term of this Agreement. STATE may terminate this Agreement, due to lack of funding or otherwise, and thereby terminate maintenance of said structures and/or approved appurtenances, provided, however, that maintenance of other Project features, which are located on lands other than said Lands, is terminated concurrently. Upon termination of this Agreement, all structures and/or approved appurtenances placed on said Lands shall, at GRANTOR's option either become property of the GRANTOR without compensation to STATE or shall be promptly removed by STATE at STATE expense. Upon termination of this Agreement, STATE shall furnish to GRANTOR within sixty (60) days a recorded release of this Agreement.

VI. GRANTOR makes no representation as to the condition of the Lands or their suitability for purposes of the Project. GRANTOR further makes no representation as to the condition of any canal or waterway open to navigation on Grantor's adjacent property or the suitability of any of the same for use as ingress or egress to and from the Lands. STATE hereby acknowledges that it has had the opportunity to inspect the Lands and any canal or waterway open to navigation on

GRANTOR's adjacent property and that it accepts the condition of the same for all such purposes.

VII. STATE shall be responsible for repair or replacement in like manner of any survey monuments, property line markers, located on said Lands which may be damaged or destroyed by STATE, or its designees while on said Lands.

VIII. STATE hereby acknowledges that this Agreement is made and accepted, and the Lands are being voluntarily provided by Grantor for the purposes of this Agreement, without any "cost" to the State within the meaning and intent of La. R.S. 49:214.6.10(C), the Hold Harmless and Cooperative Landowner Immunity statute, for purposes of the application of that statute in respect to the Project.

IX. STATE further hereby acknowledges that this Agreement does not grant any rights to the STATE in any respect as to greenhouse gas or carbon mitigation credits, nor as to water, nutrient or endangered species banking credits, generated or potentially generated in respect to said Lands, all such rights and any revenues derived from the exercise hereof being expressly reserved to GRANTOR and are excluded from this Agreement.

Exhibit "C" to Campbellton Agreement

1. As to the Project Boundary Area, as identified on Exhibits A and A-1 ("said Lands"), the right of vehicular access across said Lands is granted (subject to Paragraph 8. below) hereby to the STATE and its employees, agents, and assignees solely for the purposes of surveillance, construction, operation, maintenance and monitoring of the Project, and emergency response.

2. The rights granted to the STATE pursuant to this Agreement are nonexclusive (except that other uses shall not unreasonably interfere with the lawful activities of STATE pursuant to this Agreement), are granted solely for purposes of the Project and for no other use or purpose whatsoever, are limited to the property expressly identified in this Agreement, are limited to the rights expressly stated in this Agreement, and are subordinate to any and all other existing servitudes and rights–of-way granted by GRANTOR. No accessory rights are granted with respect to the servitudes granted by this Agreement.

3. Except as expressly provided in this Agreement, GRANTOR reserves the right to restrict access to GRANTOR's property, including said Lands, to the fullest extent authorized under Louisiana law. GRANTOR retains all rights and aspects of ownership in and to said Lands, including the right to exclude others, except that its exercise thereof shall not interfere with or limit the rights granted to the STATE herein or damage the integrity of the Project.

4. GRANTOR reserves the right to grant additional servitudes and/or rights of way in the future on said Lands as it deems necessary, except that no such servitude or right-of-way may interfere with or limit the rights granted to the STATE pursuant to this Agreement.

5. The provisions of Article II of this Agreement notwithstanding, STATE agrees to give reasonable notice to GRANTOR of at least forty-eight hours prior to initiation of access to the said Lands for the purpose of implementing, constructing, operating, modifying, monitoring, or maintaining the Project. Notification shall be issued by U.S. mail or commercial delivery service to Campbellton Corporation, c/o Warren Doyle, Doyle Land Services, 880 Commerce Road West, Suite 104, New Orleans, Louisiana 70123, and also via either telephone at (504) 818-1118 or (281) 755-6259, or email at jwdoyle@doyleland.com. However, GRANTOR may change any of these addresses, telephone or fax numbers, or email addresses in writing delivered to CPRA, Land Rights Division, 450 Laurel Street, Suite 1200, Baton Rouge, Louisiana, 70801. STATE agrees to send GRANTOR a copy of the Notice to Proceed for the Project upon issuance to STATE's contractor.

6. In addition to the provisions of Article VII, in its exercise of the rights granted pursuant to the Agreement, STATE agrees not to unreasonably interfere with any recreational, commercial, or industrial activities on said Lands. STATE specifically acknowledges the continuing right of GRANTOR, its heirs, successors, assigns, transferees or lessees, to use, occupy and enjoy all of said Lands, for all purposes, in such manner at such times as they, or any of them, shall desire to use same, including, but without limitation, for the purpose of any recreational, commercial, or industrial activities thereon, provided, however, that such use, occupation, and enjoyment shall not unreasonably interfere with the lawful activities of STATE pursuant to the Agreement.

7. The provisions of Article X of this Agreement notwithstanding, this Agreement shall be effective as of March 1, 2013, and shall remain in effect for a term of twenty-five (25) years from that date unless sooner released by STATE. If STATE has not awarded a contract for construction of the Project by March 1, 2015, GRANTOR may terminate this Agreement 30 days after delivering written notice of its intent to do so to Executive Director, Coastal Protection and Restoration Authority, 450 Laurel Street, Suite 1200, Baton Rouge, Louisiana, 70801.

8. Notwithstanding anything herein to the contrary, the applicability of this agreement and the rights granted in this agreement is strictly limited to said Lands located in Sections 6 and 7, Township 21 South, Range 30 East, Plaquemines Parish, Louisiana. This agreement does not affect in any manner whatsoever any property owned by the Grantor other than said Lands located in Sections 6 and 7, Township 21 South, Range 30 East, Plaquemines Parish, Louisiana.

V. Northern Access to Project Area

Access to the Project Area from the North is prohibited. Pursuant to House Bill No. 891, Act 457, approved July 9, 1987, and Senate Bill No. 614, Act 813, approved July 20, 1987, the "...immovable property of whatever nature and kind situated in the Parish of Plaquemines and being bounded in the front or on the Mississippi River side by the back levee or Hurricane Protection Levee located on the Parish Drainage Canal and in the rear by the forty arpent line and being more particularly designated as that portion of property located in River Lots or Sections 21, 22, 23, 24, 25, 26, 27 and 28, of Township 20 South, Range 29 East is privately owned." A preliminary search of the Plaquemines Parish Assessor's records identified several hundred landowners within these River Lots / Sections and, due to time and cost restraints, it was decided that CPRA would not pursue land rights agreements for access to the Project Area.

VI. Pipelines

Standard Pipeline Provisions

A. The Contractor shall notify all pipeline companies at least seventy-two (72) hours in advance of any construction Work. All pipelines located within 150 feet of the dike alignments, marsh fill areas, borrow area, excavation area, and sediment pipeline corridor shall be probed and their locations marked, prior to excavation and/or installation of the sediment pipeline, for the duration of construction activities. No excavation shall be permitted within 50 feet of any pipeline. It is the Contractor's responsibility to locate all pipelines for purposes of determining areas where excavation is not permitted.

B. NOTE: Special care and extremely close coordination by the construction contractor with the pipeline companies will be crucial in order to avoid impacting the pipelines within or near the project area. Due to the extensive numbers of oil and gas lines in the area, and the limited time available to obtain land rights coverage for same, the contractor(s) will need to acquire any permission for crossings of lines outside of those that may not have been previously found/covered. It is recommended that confirmation in the field, including, but not limited to, use of a magnetometer survey/s be a requirement of the contractor/s to ensure that any lines in the area are identified and will not be impacted. Dredging over any pipeline rights-of-ways may be permitted with consent from the pipeline owner/operator. The conveyance pipeline will need to be floated over pipelines that may potentially be impacted by same. Verification of pipelines, their depths and draft of the equipment to be used will be essential. The assumption resulting from current investigations does not include oil and gas operations that might commence in the future.

Abandoned Flowlines

Abandoned flowlines were located in the field by CPRA engineers and contractors. Research of the Office of Conservation's ("OOC") database revealed that there were two (2) old oil wells in the area near the project footprint. According to the OOC's database, the last known operators of these wells were Carl Oil and Gas, a Texas limited partnership, and LGS Exploration, Inc., a Louisiana corporation. We researched the various acquisitions and mergers of these two companies and we were able to link the old Carl Oil and Gas well to Chevron U.S.A. Inc. However, we were unable to locate a successor to the LGS well.

With the assistance of OOC, a Compliance Order was sent to Carl Oil & Gas Co. / Chevron U.S.A. Inc. whereby OOC ordered compliance with removal of all flowlines, equipment, structures and trash and to perform any other site restoration activity associated with the old Carl Oil & Gas oil well. Chevron U.S.A. Inc. is now in the process of removing their flowlines from our Project Area.

Due to our inability to locate a successor to LGS for OOC to issue a Compliance Order, OOC sent a Ten (10) Day Orphan Letter to LGS Exploration, Inc.'s last known address. After the ten (10) days provided for in the letter, OOC declared the LGS oil well orphaned and it was placed in the OOC's Oilfield Site Restoration Program (the "OSR Program"). The OSR Program identifies abandoned oil and gas wells for which no viable responsible party can be located and its focus is to properly plug and abandon orphan wells and to restore sites to approximate pre-wellsite conditions suitable for redevelopment. However, funds are limited and allocated based on the level of threat an orphaned well has on the environment. The LGS orphaned well site has a very low threat of environmental impact and will therefore not receive funding for removal of the abandoned flowlines prior to construction of the Project.

CPRA Executives made the decision to provide for the proper removal and disposal of the abandoned flowlines associated with the LGS orphaned well site within the Project Area in the Project's plans and specifications. CPRA and OOC will enter into a Cooperative Agreement to certify CPRA's removal of portions of LGS's abandoned flowlines which impact the Project. Those said portions of LGS's abandoned flowlines will be properly flushed, cut, capped and removed or buried in accordance with Statewide Order No. 29-B.

The construction contractor will also need to contact Louisiana One Call at (800) 272-3020 at least five (5) business days prior to construction.

This landrights completion memo will be sent to you in "pdf" electronic format, which we request that you forward to project team members and any federal partners you deem necessary.

Angela Thomas, CPRA Land Rights Division

c: Rachel Sweeney, NOAA Project Manager
Tye Fitzgerald, CPRA Project Engineer
Barry Richard, CPRA Project Construction/Operations & Maintenance Manager
James Altman, CPRA Land Rights Manager
Cynthia Wallace, CPRA Land Rights Attorney