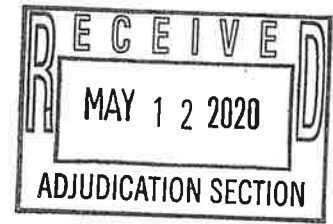




SNOW SPENCE GREEN LLP

HOLLY HAMM  
DIRECT LINE: (713) 335-4808  
EMAIL: [hollyhamm@snowspencelaw.com](mailto:hollyhamm@snowspencelaw.com)

May 4, 2020



**VIA FEDERAL EXPRESS**

Bureau of Ocean Energy Management  
Bureau of Safety and Environmental Enforcement  
Gulf of Mexico OCS Region & Atlantic Activities  
1201 Elmwood Park Blvd.  
New Orleans, LA 70123-2394  
Attention: Adjudication Department

**Re: Cardinal Slickline, LLC / Sanare Energy Partners, LLC / Federal Lease  
OCS-G22268 HI 268 No. A0001 Well located in High Island East Addition  
South Extension at Block A268-Gulf of Mexico Region / Jefferson County,  
Texas**

Dear Sir or Madam:

Enclosed please find two copies of the above referenced recorded Mineral Property Lien Affidavit of Cardinal Coil Tubing, LLC affecting interests in the captioned lease filed in Jefferson Parish, Louisiana. We offer the following information per your guidelines:

- 1. Title of the document:** Mineral Property Lien Affidavit
- 2. Identity of parties to the document:** Cardinal Slickline, LLC, Sanare Energy Partners, LLC
- 3. Lease affected:** OCS-G22268
- 4. Category under which the document should be filed:** 6

In order that third parties will be put on notice as to the lien claims made in the enclosed Affidavit, please file the Affidavit, together with a copy of this letter, in the lease record files of the captioned lease. Enclosed is a copy of the pay.gov receipt evidencing payment of the service fees associated with this request.

As evidence that the foregoing has been accomplished, please sign a counterpart of this letter in the space provided below and return it to the undersigned along with the date stamped copy of the Lien in the enclosed postage paid preaddressed envelope.

May 4, 2020  
Page 2

Thank you for your attention to this matter. If you have any questions or concerns, please do not hesitate to contact the undersigned.

Regards,



Holly C. Hamm

HCH/bb  
Enclosures

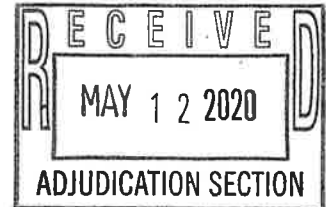
Filing accomplished as requested:

Bureau of Ocean Energy Management  
Gulf of Mexico OCS Region

By: \_\_\_\_\_  
Date: \_\_\_\_\_

cc: **VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED**

Sanare Energy Partners, LLC c/o Corporation Service Company its Registered Agent 211 East 7 <sup>th</sup> Street, Suite 620 Austin, TX 78701	Sanare Energy Partners, LLC c/o Stockbridge Natural Resources, LLC Corporation Service Company its Registered Agent 211 East 7 <sup>th</sup> Street, Suite 620 Austin, TX 78701
--	--



Claimant: Cardinal Slickline, LLC

Contractor: Sanare Energy Partners, LLC

Mineral Property Owners: Sanare Energy Partners, LLC;  
and any person or entity asserting an interest in the  
Subject Property by virtue of an assignment that  
was not recorded in the real property records at the  
time Claimant commenced delivery of materials or  
services on the Subject Property

Lease(s): All leases associated with the  
HI 268 No. A001 Well to include Federal Lease  
No. OCS-G22268 located in High Island Area,  
East Addition, South Extension at Block #A268-  
Gulf of Mexico Region

County: Jefferson

Principal Amount Due: \$11,005.45

TO RECORDING OFFICER: This instrument must be filed in the appropriate Lien Records for your County.

**STATEMENT AND AFFIDAVIT  
IN SUPPORT OF LIEN ON MINERAL PROPERTY**

**Claimant**

Cardinal Slickline, LLC (hereinafter referred to as "Claimant") has, under contract, furnished materials and equipment and/or performed labor and services for and in connection with the digging, drilling, torpedoing, operating, completing, maintaining, or repairing of an oil and /or gas well on the oil, gas, and mineral leasehold hereinafter described. Such leasehold hereinafter described is located on the Outer Continental Shelf – Gulf of Mexico Region and is subject to the laws and regulations pursuant to 43 U.S.C.S. §1331 *et seq.* Claimant's above-described contractual obligations concerns the exploration, development and/or production of the leasehold under § 48 U.S.C.S. §1331 *et seq.*

Claimant's mailing address is as follows:

Cardinal Slickline, LLC  
c/o Jamie Kartsimas  
7514 Hwy 90 W  
New Iberia, LA 70560

### Lease Description

This lien claim is upon the oil, gas, and mineral lease(s) which are part of the No. A001 Well (“Subject Well”) and located on Federal Lease No. OCS-G22268 located in High Island Area, East Addition, South Extension at Block A268-Gulf of Mexico. A description of the Subject Well is attached hereto as **Exhibit A-1**. This lien attaches to the total acreage of each lease identified in Exhibits A-1 and A-2 and is not limited to the acreage within the Subject Well. The property described in Exhibits A-1 and A-2 is hereinafter referred to as the “Subject Property”. This lien attaches to: (i) any well; (ii) personal property; (iii) equipment; (iv) buildings; (v) appurtenances; (vi) pipelines; (vii) the oil, gas and other minerals produced from or upon the Subject Property; and (viii) any other property provided for in Texas Property Code §56.003 and the Texas Constitution which are located on or used in connection with the Subject Property.

### Owners

The names of the owner(s) (or reputed owners) whose interest in the Subject Property is encumbered by this lien is as follows:

1. Sanare Energy Partners, LLC  
11 Greenway Plaza, Suite 2800  
Houston, TX 77046
2. and any person or entity asserting an interest in the Subject Property by virtue of an assignment that was not recorded in the real property records at the time Claimant commenced delivery of materials and/or provided services to the Subject Property.

### Statement of Claim

Sanare Energy Partners, LLC contracted with Claimant to furnish materials, machinery, or supplies and/or perform labor and services on behalf of the owners of interests in the Subject Property.

Attached hereto as **Exhibit B** is an outstanding invoice setting forth: (1) the materials furnished and labor performed by Claimant; (2) the dates on which the labor was performed and materials were furnished; (3) the prices charged in connection with the labor and materials; and (4) the lease(s) and well with respect to which the labor was performed and materials were furnished. The labor and materials described in Exhibit B were furnished in connection with the digging, drilling, torpedoing, operating, completing, maintaining, or repairing of the Subject Well located on the Subject Property.

Claimant commenced furnishing materials and/or services in connection with the Subject Well on December 6, 2019 and last furnished materials and/or services in connection with the Subject Well on December 9, 2019. Claimant commenced furnishing materials and/or services on the leasehold interest described in Exhibits A-1 and A-2 on December 6, 2019 and last furnished materials and/or services on the leasehold interest described in Exhibits A-1 and A-2 on December 9, 2019. All materials and/or services furnished by Claimant to the leasehold interest described in Exhibits A-1 and A-2 are pursuant to Tex. Prop. Code §56.005 considered to be furnished under a single contract.

The amount of this claim is Eleven Thousand Five and 45/100 Dollars (\$11,005.45) principal, plus interest, costs of court and attorneys' fees. Said amount is due and owing. All just and lawful offsets, payments, and credits, if any, have been made and allowed. The above stated amounts charged are, and were

at the time and place of performance, reasonable and were agreed upon by the parties prior to and/or at the time that the labor and materials were furnished.

**Statutory Lien Claim**

This Statement and Affidavit in Support of Lien on Mineral Property is filed pursuant to §43 U.S.C.S. §1331 *et seq.* and §56.001, *et seq.* of the Tex. Prop. Code for the purpose of perfecting a lien upon one hundred percent (100%) of the working interest ownership in the Subject Property, including, but not limited to, the interests of the above-referenced owner(s) in the Subject Property. This lien encumbers the interest of any working interest owner in all property on the Subject Property as provided in Texas Property Code §56.003, to secure the claim amount.

**Notice**

In connection with the contracts described above Claimant acted in the capacity of mineral contractor under an express or implied contract with the mineral property owners, their trustee, agent or receiver. Accordingly, claimant is a mineral contractor within the meaning of Texas Property Code §56.001(2).

Pursuant to Texas Property Code §56.042, notice is hereby given that neither the owner of the land, nor the owner of any oil, gas, or mineral leasehold interest therein, nor the owner of any gas or oil pipeline, nor the contractor, nor the subcontractor, nor the purchaser, nor the trustee, receiver, or agent of any such owner, lessor, lessee, contractor, subcontractor, or purchaser shall either sell or remove the property subject to this lien or cause same to be removed from the land or premises upon which they were to be used or otherwise sell or dispose of the same, without the written consent of the holder of this lien.

**Constitutional Lien**

Claimant, in addition to the statutory lien available under Chapter 56 of the Property Code, claims a lien pursuant to the Texas Constitution Article XVI § 37 upon all the property hereinabove described.

Claimant reserves the right to file an Amended Lien.

**\*\*\*\*\*REST OF PAGE INTENTIONALLY LEFT BLANK\*\*\*\*\***

**SIGNATURE PAGE TO FOLLOW**

Claimant:

CARDINAL SLICKLINE, LLC

By: [Signature]  
William Kartsimas, Chief Financial Officer

**AFFIDAVIT**

THE STATE OF LOUISIANA     §  
   §  
PARISH OF LAFAYETTE       §

I, William Kartsimas, Chief Financial Officer of Cardinal Slickline, LLC., Affiant, do hereby state under oath that I have read the foregoing instrument and examined the Exhibits thereto, and that every statement contained therein, is based on matters within my personal knowledge, is true and correct, that the amounts claimed therein are due and owing, and that all just and lawful offsets, payments, and credits have been allowed.

By: [Signature]  
William Kartsimas, Chief Financial Officer

SUBSCRIBED and SWORN TO BEFORE ME, the undersigned authority, by William Kartsimas, Chief Financial Officer for Cardinal Slickline, LLC. on this the 16<sup>th</sup> day of April 2020.

[Signature]  
Notary Public in and for  
the State of LOUISIANA



Printed Name: Leslie R. LeBlanc  
My Commission Expires: At Death

**ACKNOWLEDGEMENT**

This instrument was acknowledged before me on the 16<sup>th</sup> day of April 2020, by William Kartsimas, Chief Financial Officer for Cardinal Slickline, LLC, on behalf of said corporation.

[Signature]

Notary Public in and for  
the State of LOUISIANA



Printed Name: Leslie R. LeBlanc  
My Commission Expires: At Death



**Form 124 - Electronic Version  
Application for Permit to Modify Report**

<b>API:</b> 427114087600	<b>ST:</b> 00	<b>BP:</b> 00	<b>Water Depth:</b> 169
<b>Well Name:</b> A001	<b>Status:</b> Borehole Completed	<b>Type:</b> Exploratory	<b>Submitted Dt:</b> 11/22/2019
<b>Surface Lease:</b> G22268	<b>Area:</b> HI	<b>Block:</b> A268	<b>Approval Dt:</b> 11/25/2019
<b>Bottom Lease:</b> G22268	<b>Area:</b> HI	<b>Block:</b> A268	
<b>Company:</b> 03520 Sanare Energy Partners, LLC			

**Permit Primary Type:** OTHER

**Permit Subtype(s):**

Describe Operation(S)

**Operation Description:**

Pull DXX plug set in the SCSSV at 483' and run PB valve in its place.

**Procedural Narrative:**

Please see attached.

**Subsurface Type Safety Valve**

**Type Installed:** SCSSV

**Feet below Mudline:** 196

**Blowout Preventers**

**Shut-in Tubing Pressure(psi):** 2045

**Rig Information:**

Name	Id	Type	ABS Date	Coast Guard Date
* WIRELINE UNIT	49979	WL	12/31/2020	12/31/2020
			-----Test Pressure-----	
<b>Preventer</b>	<b>Size</b>	<b>Working</b>	<b>Low</b>	<b>High</b>
ANNULAR				
COILTUBE				
RAMSTACK				
SNUBBING				
WIRELINE	5000			3000

**Date Commencing Work(mm/dd/yyyy):** 11/23/2019  
**Estimated duration of the operation(days):** 3  
**Verbal Approval Information:** No Verbals Given

**Questions:**

Number	Question	Response	Response Text
A	Is H2S present in the well? If yes, then comment on the inclusion of a Contingency Plan for this operation.	NO	
B	Is this proposed operation the only lease holding activity for the subject lease? If yes, then comment.	NO	
C	Will all wells in the well bay and related production equipment be shut-in when moving on to or off of an offshore platform, or from well to well on the platform? If not, please explain.	NO	
D	If sands are to be commingled for this completion, has approval been obtained?	N/A	
E	Will the completed interval be within 500 feet of a block line? If yes, then comment.	N/A	
F	For permanent abandonment, will casings be cut 15 feet below the mudline? If no, then comment.	N/A	
G	Will you ensure well-control fluids, equipment, and operations be designed, utilized, maintained, and/or tested as necessary to control the well in foreseeable conditions and circumstances, including subfreezing conditions?	YES	
H	Will digital BOP testing be used for this operation? If "yes", state which version in the comment box?	NO	

I	Is this APM being submitted to remediate sustained casing pressure (SCP)? NO If "yes," please specify annulus in the comment box. If you have been given a departure/denial for SCP, include in the attachments.		
J	Are you pulling tubing and/or casing with a crane? If "yes," have documentation on how you will verify the load is free per API RP 2D, Appendix B. This documentation must be maintained by the lessee at the lessee's field office.	N/A	
K	Will the proposed operation be covered by an EPA Discharge Permit? (Please provide permit number comments for this question).	YES	GMG290618
L	Will you be using multiple size work string/ tubing/coil tubing/snubbing/wireline? If yes, attach a list of all sizes to be used including the size, weight, and grade.	NO	
M	For both surface and subsea operations, are you utilizing a dynamically positioned vessel/work boat at any time during this operation?	NO	

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**Attachments Submitted:**

<b>File Type</b>	<b>File Description</b>	<b>Status</b>
pdf	Proposed Wellbore Schematic	Attached
pdf	Current Wellbore Schematic	Attached
pdf	PB Valve	Attached
pdf	Procedure	Attached
PDF	Application for Permit to Modify Well	Attached
pdf	PayGov Receipt	Attached





UNITED STATES  
DEPARTMENT OF THE INTERIOR  
MINERALS MANAGEMENT SERVICE  
OIL AND GAS LEASE OF  
SUBMERGED LANDS UNDER THE  
OUTER CONTINENTAL SHELF LANDS ACT

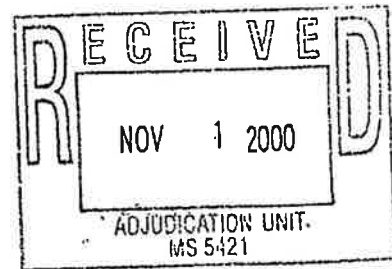
*This form does not constitute an information collection as defined by 44 U.S.C. 3502 and therefore does not require approval by the Office of Management and Budget.*

Office New Orleans, LA	Serial number OCS-G 22268
Cash bonus \$151,750.00	Rental rate per acre, hectare or fraction thereof \$5.00 per acre
Minimum royalty rate per acre, hectare or fraction thereof \$5.00 per acre	Royalty rate 16 2/3 percent
	Profit share rate

This lease is effective as of **DEC 1 2000** (hereinafter called the "Effective Date") and shall continue for an initial period of **five** years (hereinafter called the "Initial Period") by and between the United States of America (hereinafter called the "Lessor"), by the **Regional Director, Gulf of Mexico OCS Region**, Minerals Management Service, its authorized officer, and

**PetroQuest Energy One, L.L.C.**

**100%**



(hereinafter called the "Lessee"). In consideration of any cash payment heretofore made by the Lessee to the Lessor and in consideration of the promises, terms, conditions, and covenants contained herein, including the Stipulation(s) numbered **2** attached hereto, the Lessee and Lessor agree as follows:

**Sec. 1. Statutes and Regulations.** This lease is issued pursuant to the Outer Continental Shelf Lands Act of August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 et seq., as amended (92 Stat. 629), (hereinafter called the "Act"). The lease is issued subject to the Act; all regulations issued pursuant to the Act and in existence upon the Effective Date of this lease; all regulations issued pursuant to the statute in the future which provide for the prevention of waste and conservation of the natural resources of the Outer Continental Shelf and the protection of correlative rights therein; and all other applicable statutes and regulations.

**Sec. 2. Rights of Lessee.** The Lessor hereby grants and leases to the Lessee the exclusive right and privilege to drill for, develop, and produce oil and gas resources, except helium gas, in the submerged lands of the Outer Continental Shelf containing approximately **5,760.00** acres or hectares (hereinafter referred to as the "leased area"), described as follows:

**All of Block A 268, High Island Area, East Addition, South Extension, OCS Leasing Map, Texas Map No. 7C.**

These rights include:

(a) the nonexclusive right to conduct within the leased area geological and geophysical explorations in accordance with applicable regulations;

(b) the nonexclusive right to drill water wells within the leased area, unless the water is part of geopressured-geothermal and associated resources, and to use the water produced therefrom for operations pursuant to the Act free of cost, on the condition that the drilling is conducted in accordance with procedures approved by the Director of the Minerals Management Service or the Director's delegate (hereinafter called the "Director"); and

(c) the right to construct or erect and to maintain within the leased area artificial islands, installations, and other devices permanently or temporarily attached to the seabed and other works and structures necessary to the full enjoyment of the lease, subject to compliance with applicable laws and regulations.

**Sec. 3. Term.** This lease shall continue from the Effective Date of the lease for the Initial Period and so long thereafter as oil or gas is produced from the leased area in paying quantities, or drilling or well reworking operations, as approved by the Lessor, are conducted thereon, or as otherwise provided by regulation.

**Sec. 4. Rentals.** The Lessee shall pay the Lessor, on or before the first day of each lease year which commences prior to a discovery in paying quantities of oil or gas on the leased area, a rental as shown on the face hereof.

**Sec. 5. Minimum Royalty.** The Lessee shall pay the Lessor, at the expiration of each lease year which commences after a discovery of oil and gas in paying quantities, a minimum royalty as shown on the face hereof or, if there is production, the difference between the actual royalty required to be paid with respect to such lease year and the prescribed minimum royalty if the actual royalty paid is less than the minimum royalty.

**Sec. 6. Royalty on Production.**

(a) The Lessee shall pay a fixed royalty as shown on the face hereof in amount or value of production saved, removed, or sold from the leased area. Gas (except helium) and oil of all kinds are subject to royalty. Any Lessee is liable for royalty payments on oil or gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator of the lease, or due to the failure to comply with any rule or regulation, order, or citation issued under the Federal Oil and Gas Royalty Management Act of 1982 or the Act. The Lessor shall determine whether production royalty shall be paid in amount or value.

(b) The value of production for purposes of computing royalty on production from this lease shall never be less than the fair market value of the production. The value of production shall be the estimated reasonable value of the production as determined by the Lessor, due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field or area, to the price received by the Lessee, to posted prices, to regulated prices, and to other relevant matters. Except when the Lessor, in its discretion, determines not to consider special pricing relief from otherwise applicable Federal regulatory requirements, the value of production for the purposes of computing royalty shall not be deemed to be less than the gross proceeds accruing to the Lessee from the sale thereof. In the absence of good reason to the contrary, value

computed on the basis of the highest price paid or offered at the time of production in a fair and open market for the major portion of like-quality products produced and sold from the field or area where the leased area is situated will be considered to be a reasonable value.

(c) When paid in value, royalties on production shall be due and payable monthly on the last day of the month next following the month in which the production is obtained, unless the Lessor designates a later time. When paid in amount, such royalties shall be delivered at pipeline connections or in tanks provided by the Lessee. Such deliveries shall be made at reasonable times and intervals and, at the Lessor's option, shall be effected either (i) on or immediately adjacent to the leased area, without cost to the Lessor, or (ii) at a more convenient point closer to shore or on shore, in which event the Lessee shall be entitled to reimbursement for the reasonable cost of transporting the royalty substance to such delivery point.

**Sec. 7. Payments.** The Lessee shall make all payments (rentals, royalties and any other payments required by this lease) to the Lessor by electronic transfer of funds, check, draft on a solvent bank, or money order unless otherwise provided by regulations or by direction of the Lessor. Rentals, royalties, and any other payments required by this lease shall be made payable to the Minerals Management Service and tendered to the Director. Determinations made by the Lessor as to the amount of payment due shall be presumed to be correct and paid as due.

**Sec. 8. Bonds.** The Lessee shall maintain at all times the bond(s) required by regulation prior to the issuance of the lease and shall furnish such additional security as may be required by the Lessor if, after operations have begun, the Lessor deems such additional security to be necessary.

**Sec. 9. Plans.** The Lessee shall conduct all operations on the leased area in accordance with approved exploration plans and approved development and production plans as are required by regulations. The Lessee may depart from an approved plan only as provided by applicable regulations.

**Sec. 10. Performance.** The Lessee shall comply with all regulations and Orders. After due notice in writing, the Lessee shall drill such wells and produce at such rates as the Lessor may require in order that the leased area or any part thereof may be properly and timely developed and produced in accordance with sound operating principles.

**Sec. 11. Directional Drilling.** A directional well drilled under the leased area from a surface location on nearby land not covered by this lease shall be deemed to have the same effect for all purposes of the lease as a well drilled from a surface location on the leased area. In those circumstances, drilling shall be considered to have been commenced on the leased area when drilling is commenced on the nearby land for the purpose of directionally drilling under the leased area, and production of oil or gas from the leased area through any directional well surfaced on nearby land or drilling or reworking of any such directional well shall be considered production or drilling or reworking operations on the leased area for all purposes of the lease. Nothing contained in this Section shall be construed as granting to the Lessee any interest, license, easement, or other right in any nearby land.

Stipulation No. 2--Military Areas

(a) Hold and Save Harmless

Whether compensation for such damage or injury might be due under a theory of strict or absolute liability or otherwise, the lessee assumes all risks of damage or injury to persons or property, which occur in, on, or above the OCS, to any persons or to any property of any person or persons who are agents, employees, or invitees of the lessee, its agents, independent contractors, or subcontractors doing business with the lessee in connection with any activities being performed by the lessee in, on, or above the OCS, if such injury or damage to such person or property occurs by reason of the activities of any agency of the United States Government, its contractors or subcontractors, or any of its officers, agents or employees, being conducted as a part of, or in connection with, the programs and activities of the command headquarters listed at the end of this stipulation.

Notwithstanding any limitation of the lessee's liability in Section 14 of the lease, the lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of its officers, agents, or employees. The lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the lessee, or to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the agents, employees, or invitees of the lessee, its agents, or any independent contractors or subcontractors doing business with the lessee in connection with the programs and activities of the aforementioned military installation, whether the same be caused in whole or in part by the negligence or fault of the United States, its contractors, or subcontractors, or any of its officers, agents, or employees and whether such claims might be sustained under a theory of strict or absolute liability or otherwise.

(b) Electromagnetic Emissions

The lessee agrees to control its own electromagnetic emissions and those of its agents, employees, invitees, independent contractors or subcontractors emanating from individual designated defense warning areas in accordance with requirements specified by the commander of the command headquarters listed in the following table to the degree necessary to prevent damage to, or unacceptable interference with, Department of Defense flight, testing, or operational activities, conducted within individual designated warning areas. Necessary monitoring control, and coordination with the lessee, its agents, employees, invitees, independent contractors or subcontractors, will be effected by the commander of the appropriate onshore military installation conducting operations in the particular warning area; provided, however, that control of such electromagnetic emissions shall in no instance prohibit all manner of electromagnetic communication during any period of time between a lessee, its agents, employees, invitees, independent contractors or subcontractors and onshore facilities.

(c) Operational

The lessee, when operating or causing to be operated on its behalf, boat, ship, or aircraft traffic into the individual designated warning areas, shall enter into an agreement with the commander of the individual command headquarters listed in the following list, upon utilizing an individual designated warning area prior to commencing such traffic. Such an agreement will provide for positive control of boats, ships, and aircraft operating into the warning areas at all times.

W-147 147th Fighter Wing  
147 OSF/CC  
14657 Sneider Street  
Houston, Texas 77034-5586  
Telephone: (281) 929-2716/2683

**Sec. 12. Safety Requirements.** The Lessee shall:

(a) maintain all places of employment within the leased area in compliance with occupational safety and health standards and, in addition, free from recognized hazards to employees of the Lessee or of any contractor or subcontractor operating within the lease area;

(b) maintain all operations within the leased area in compliance with regulations or orders intended to protect persons, property, and the environment on the Outer Continental Shelf; and

(c) allow prompt access, at the site of any operation subject to safety regulations, to any authorized Federal inspector and shall provide any documents and records which are pertinent to occupational or public health, safety, or environmental protection as may be requested.

**Sec. 13. Suspension and Cancellation.**

(a) The Lessor may suspend or cancel this lease pursuant to section 5 of the Act, and compensation shall be paid when provided by the Act.

(b) The Lessor may, upon recommendation of the Secretary of Defense, during a state of war or national emergency declared by Congress or the President of the United States, suspend operations under the lease, as provided in section 12(c) of the Act, and just compensation shall be paid to the Lessee for such suspension.

**Sec. 14. Indemnification.** The Lessee shall indemnify the Lessor for, and hold it harmless from, any claim, including claims for loss or damage to property or injury to persons caused by or resulting from any operation on the leased area conducted by or on behalf of the Lessee. However, the Lessee shall not be held responsible to the Lessor under this section for any loss, damage, or injury caused by or resulting from:

(a) negligence of the Lessor other than the commission or omission of a discretionary function or duty on the part of a Federal Agency whether or not the discretion involved is abused; or

(b) the Lessee's compliance with an order or directive of the Lessor against which an administrative appeal by the Lessee is filed before the cause of action for the claim arises and is pursued diligently thereafter.

**Sec. 15. Disposition of Production.**

(a) As provided in section 27(a)(2) of the Act, the Lessor shall have the right to purchase not more than 16 2/3 percent by volume of the oil and gas produced pursuant to the lease at the regulated price or, if no regulated price applies, at the fair market value at the wellhead of the oil and gas saved, removed, or sold, except that any oil or gas obtained by the Lessor as royalty or net profit share shall be credited against the amount that may be purchased under this subsection.

(b) Pursuant to section 27(b) and (c) of the Act, the Lessor may offer and sell certain oil and gas obtained or purchased pursuant to a lease. As provided in section 27(d) of the Act, the Lessee shall take any Federal oil or gas for which no acceptable bids are received, as determined by the Lessor, and which is not transferred to a Federal Agency pursuant to section 27(a)(3) of the Act, and shall pay to the Lessor a cash amount equal to the regulated price or, if no regulated price applies, the fair market value of the oil or gas so obtained.

(c) As provided in section 8(b)(7) of the Act, the Lessee shall offer 20 percent of the crude oil, condensate, and natural gas liquids produced on the lease, at the market value and point of delivery as provided by regulations applicable to Federal royalty oil, to small or independent refiners as defined in the Emergency Petroleum Allocation Act of 1973.

(d) In time of war or when the president of the United States shall so prescribe, the Lessor shall have the right of first refusal to purchase at the market price all or any portion of the oil or gas produced from the leased area, as provided in section 12(b) of the Act.

**Sec. 16. Unitization, Pooling, and Drilling Agreements.** Within such time as the Lessor may prescribe, the Lessee shall subscribe to and operate under a unit, pooling, or drilling agreement embracing all or part of the lands subject to this lease as the Lessor may determine to be appropriate or necessary. Where any provision of a unit, pooling, or drilling agreement, approved by the Lessor, is inconsistent with a provision of this lease, the provision of the agreement shall govern.

**Sec. 17. Equal Opportunity Clause.** During the performance of this lease, the Lessee shall fully comply with paragraphs (1) through (7) of section 202 of Executive Order 11246, as amended (reprinted in 41 CFR 60-1.4(a)), and the implementing regulations which are for the purpose of preventing employment discrimination against persons on the basis of race, color, religion, sex, or national origin. Paragraphs (1) through (7) of section 202 of Executive Order 11246, as amended, are incorporated in this lease by reference.

**Sec. 18. Certification of Nonsegregated Facilities.** By entering into this lease, the Lessee certifies, as specified in 41 CFR 60-1.8, that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. As used in this certification, the term "segregated facilities" means, but is not limited to, any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, timeclocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Lessee further agrees that it will obtain identical certifications from proposed contractors and subcontractors prior to award of contracts or subcontracts unless they are exempt under 41 CFR 60-1.5.

**Sec. 19. Reservations to Lessor.** All rights in the leased area not expressly granted to the Lessee by the Act, the regulations, or this lease are hereby reserved to the Lessor. Without limiting the generality of the foregoing, reserved rights included:

(a) the right to authorize geological and geophysical exploration in the lease area which does not unreasonably interfere with or endanger actual operations under the lease, and the right to grant such easements or rights-of-way upon, through, or in the leased area as may be necessary or appropriate to the working of other lands or to the treatment and shipment of products thereof by or under authority of the Lessor;

(b) the right to grant leases for any minerals other than oil and gas within the leased area, except that operations under such leases shall not unreasonably interfere with or endanger operations under this lease;

(c) the right, as provided in section 12(d) of the Act, to restrict operations in the leased area or any part thereof which may be designated by the Secretary of Defense, with approval of the President, as being within an area needed for national defense and, so long as such designation remains in effect, no operations may be conducted on the surface of the leased area or the part thereof included within the designation except with the concurrence of the Secretary of Defense. If operations or production under this lease within any designated area are suspended pursuant to this paragraph, any payments of rentals and royalty prescribed by this lease likewise shall be suspended during such period of suspension of operations and production, the term of this lease shall be extended by adding thereto any such suspension period, and the Lessor shall be liable to the Lessee for such compensation as is required to be paid under the Constitution of the United States.

**Sec. 20. Transfer of Lease.** The Lessee shall file for approval with the appropriate field office of the Minerals Management Service any instrument of assignment or other transfer of this lease, or any interest therein, in accordance with applicable regulations.

**Sec. 21. Surrender of Lease.** The Lessee may surrender this entire lease or any officially designated subdivision of the leased area by filing with the appropriate field office of the Minerals Management Service a written relinquishment, in triplicate, which shall be effective as of the date of filing. No surrender of this lease or of any portion of the leased area shall relieve the Lessee or its surety of the obligation to pay all accrued rentals, royalties, and other financial obligations or to abandon all wells on the area to be surrendered in a manner satisfactory to the Director.

(Continued on reverse)

**Sec. 22. Removal of Property on Termination of Lease.** Within a period of 1 year after termination of this lease in whole or in part, the Lessee shall remove all devices, works, and structures from the premises no longer subject to the lease in accordance with applicable regulations and Orders of the Director. However, the Lessee may, with the approval of the Director, continue to maintain devices, works, and structures on the leased area for drilling or producing on other leases.

**Sec. 23. Remedies in Case of Default.**

(a) Whenever the Lessee fails to comply with any of the provisions of the Act, the regulations issued pursuant to the Act, or the terms of this lease, the lease shall be subject to cancellation in accordance with the provisions of section 5(c) and (d) of the Act and the Lessor may exercise any other remedies which the Lessor may have, including the penalty provisions of section 24 of the Act. Furthermore, pursuant to section 8(o) of the Act, the Lessor may cancel the lease if it is obtained by fraud or misrepresentation.

(b) Nonenforcement by the Lessor of a remedy for any particular violation of the provisions of the Act, the regulations issued pursuant to the Act, or the terms of this lease shall not prevent the cancellation of this lease or the exercise of any other remedies under paragraph (a) of this section for any other violation or for the same violation occurring at any other time.

**Sec. 24. Unlawful Interest.** No member of, or Delegate to, Congress, or Resident Commissioner, after election or appointment, or either before or after they have qualified and during their continuance in office, and no officer, agent, or employee of the Department of the Interior, except as provided in 43 CFR Part 20, shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom. The provisions of Section 3741 of the Revised Statutes, as amended, 41 U.S.C. 22, and the Act of June 25, 1948, 62 Stat. 702, as amended, 18 U.S.C. 431-433, relating to contracts made or entered into, or accepted by or on behalf of the United States, form a part of this lease insofar as they may be applicable.

PetroQuest Energy One, L.L.C.

(Lessee)

Alfred J. Thomas II  
(Signature of Authorized Officer)

Alfred J. Thomas, II

(Name of Signatory)

President and Chief Operating Officer

(Title)

October 25, 2000

(Date)

(Address of Lessee)

THE UNITED STATES OF AMERICA, Lessor

Chris C. Oynes  
(Signature of Authorized Officer)

Chris C. Oynes

(Name of Signatory)

Regional Director  
Gulf of Mexico OCS Region  
Minerals Management Service

(Title)

NOV 8 2000

(Date)

*If this lease is executed by a corporation, it must bear the corporate seal.*





# Invoice

**INVOICE:** 7187  
**Invoice Date:** 12/16/2019  
**Due Date:** 12/16/2019  
**Delivery Ticket:** 18244-18247

Cardinal Slickline, LLC  
 7514 Hwy 90 W  
 New Iberia, LA 70560  
 337-330-4708  
 www.cardinalsvc.com

**Ship Via:** N/A  
**Ship To:** N/A  
**Lease/OCSG:** OCSG-22268  
**AFE Number:** W122  
**Field:** HI-268  
**Rig Number:** N/A  
**Well Number:** A-1  
**Job Type:** N/A  
**Contractor:** N/A

**Invoice To:** Sanare Energy Partners  
 11 Greenway Plaza  
 Suite 2800  
 Houston, Tx. 77046

**Ordered By:** David Guidry

**P.O. Number:** N/A

Service Code	Description	Date of Service	Unit Price	Quantity	Total Price
5006	Slickline Crew ( 5,000 PSI) - Regulatory/Safety		4,644.00	1	4,644.00
200204	Wire - Slickline - 0.108 Standard		237.90	1	237.90
10300	5,000 psi Surface Equip Rental Pkg - Lubricator/WLV thru 3", Pump in Sub & Halco Ylv Gauge Ring		380.25	1	380.25
503410	PULLING TOOLS - Otis or Camco - (special) Thru 2		41.00	1	41.00
502901	Check Set Tool Thru 2.562		171.00	1	171.00
501202	Running Tools (special) Thru 2		159.00	1	159.00
503601	Swedging Tools thru 2		199.00	1	199.00
503402	LOCKING MANDREL - X & XN 2.750' Assembly - X&XN CERTIFIED		45.00	1	45.00
376-275-0C	Pressure Equipment Test Fluids - Glycol		2,246.00	1	2,246.00
135002	TREE CONNECTIONS & SEAL RINGS R Series Flanges Seal Ring		1,201.20	1	1,201.20T
1014-000-05	Pressure Control Equipment 5,000 psi - Flanges		101.40	1	101.40T
5575x	Barricades		109.00	1	109.00
52001	MECHANICAL GAUGE SERVICES - Recorder Only		59.00	1	59.00
40525	Crew Mileage		202.80	1	202.80
203002	End of Job Saleables 5K (Standard Svc Pkg)		665.50	1	665.50
10300RD			543.40	1	543.40

<b>Subtotal</b>	\$11,005.45
<b>Sales Tax (0.0%)</b>	\$0.00
<b>Total</b>	\$11,005.45

*Emailed  
10/12/11*





7514 Hwy, 90 West  
 New Iberia, La. 70560  
 Phone: (337) 330-4708  
 Fax: (337) 376-6963

**DAILY OPERATIONS REPORT**

Office Use Only



SELECTIONS

CUSTOMER NAME  
 Semare Energy Partners  
 BILLING ADDRESS

WORK ORDER NO. CUSTOMER ORDER NO. TODAY'S DATE  
 AFEHW122 12 07 19

LEASE FIELD  
 PARISH/COUNTY STATE WELL NO.  
 OCS-G-22268 La HI-268  
 A-1

SECTION RANGE TOWNSHIP SERIAL NO.  
 X 2.313 483 PB  
 River Rental Unit Number Power Pack Number Tool Box Number  
 1067 242E-081311

AND HEREBY AGREE THAT ITS WORK SHALL BE PERFORMED TO TERMS AND CONDITIONS ON REVERSE SIDE.  
 Lock Type (Nipple Size/Setting, Depth) Valve Bean Spacers Equalizer Sub Device Tubing PSI Tree Connect Tubing Size/Type  
 X 2.313 483 PB 0 2350 2-9/16 5k JSA Meeting  
 Threat/Fo

DESCRIPTION OF SERVICES PERFORMED  
 (05:30) Prepared JSA for morning safety meeting. (06:00) Attended morning safety meeting & held JSA. Waiting for helicopter. (07:45) Traveled from HI-442 to HI-268. (08:00) Arrived at HI-268. (08:15) Rigged up lubricator on well. (09:00) Tested lubricator to 3000 psi. Tested lubricator to 3000 psi before each run. (09:15) RIH with 2.30" gauge tagged DXX-plug at 461'wlm. (09:30) Pumped 3 bbls of glycol through DXX-plug. (10:15) RIH with 2-1/2" GS and X-prong latched & plugged DXX-plug at 461'wlm. POOH. (11:30) RIH with 2.30" gauge tagged at 6765'wlm. POOH. (12:30) RIH with 2-1/2" X-line R/T with X-lock SERH19X029 & PB valve SERH312-R set at 461'wlm. POOH. (13:00) RIH with 2-1/2" check set tagged at 461'wlm. POOH. Pin was sheared good set. (13:15) Turned well over to production to function PB valve. (13:30) Assisted production with trying to function PB valve. (15:00) Laid down lubricator and secured well. (15:30) Traveled back to HI-442. (18:00) SDFN

SERVICE CODE	SERVICE, RENTALS, & THIRD PARTIES	UNIT PRICE	AMOUNT	SERVICE CODE	SERVICE, RENTALS, & THIRD PARTIES	UNIT PRICE	AMOUNT
5006	Slickline Crew & Equipment	\$88.00	\$1,204.00	55751	2-9/16 Flange	\$109.00	\$109.00
20204	1.08 Standard Line	\$237.90	\$237.90	5001	Barricade	\$59.00	\$59.00
10300	5k PCE	\$380.25	\$380.25	40525	Chart recorder	\$135.20	\$67.60
503410	2.30" Gauge	\$41.00	\$41.00				\$0.00
502901	2-1/2" GS	\$171.00	\$171.00				\$0.00
501202	2.313" Check Set	\$159.00	\$159.00				\$0.00
503601	2.313 X-line R/T	\$199.00	\$199.00				\$0.00
503402	Equalizer Prong	\$45.00	\$45.00				\$0.00
	Materials Furnished						\$0.00
376-275-0C	2.313 Certified X-Lock	\$2,246.00	\$2,246.00				\$0.00
135002	50/40 Glycol Per Gallon	\$7.15	\$1,201.20				\$0.00
1014-000-05	Seal Ring	\$101.40	\$101.40				\$0.00
		\$0.00	\$0.00				\$0.00
		\$0.00	\$0.00				\$0.00
		\$0.00	\$0.00				\$0.00
		\$0.00	\$0.00				\$0.00
		\$0.00	\$0.00				\$0.00

SERVICE CODE	SERVICE, RENTALS, & THIRD PARTIES	UNIT PRICE	AMOUNT	SERVICE CODE	SERVICE, RENTALS, & THIRD PARTIES	UNIT PRICE	AMOUNT

ESTIMATED DAILY COST  
 \$6,221.35

EMPLOYEE NAME	EMP. NO.	HOURS	Prad.	Non-Prad.	EMPLOYEE NAME	EMP. NO.	HOURS	Prad.	Non-Prad.
Supervisor	Jonathan Buquet	13			Supervisor				
Supervisor					Supervisor				
Assistant	Hunter Myers	13			Assistant				

Mileage Crew Truck Number From: To:  
 Mileage Equipment From: To:  
 CUSTOMER NAME (print)  
 Frank Butler

Signature of Customer or Authorized Representative  
 Frank Butler

7514 Hwy. 90 West  
New Iberia, La. 70560  
Phone: (337) 330-4708  
Fax: (337) 376-6963

DAILY OPERATIONS REPORT  
SL 18246

Office Use Only



CUSTOMER NAME

Sanare Energy Partners

BILLING ADDRESS

WORK ORDER NO. CUSTOMER ORDER NO. TODAY'S DATE

AFFW122 12 08 19

LEASE FIELD HI-268

PARISH/COUNTY STATE WELL NO.

OCS-G-22268 La A-1

SECTION RANGE TOWNSHIP SERIAL NO.

AND HEREBY AGREE THAT ITS WORK SHALL BE PERFORMED TO TERMS AND CONDITIONS ON REVERSE SIDE.

Lock type Nipple Size/Settling Dept Valve Bean Spacers Equalizer Sub Device Tubing PSI Tree Connect Tub Size 2.875

X 2.313 483 PB X 2350 2-9/16 5k DHP - 5K CR JSA Meeting

River Rental Unit Number Power Pack Number Tool Box Number 242E-081311

1067

DESCRIPTION OF SERVICES PERFORMED

(05:30) Prepared JSA for morning safety meeting. (06:00) Attended morning safety meeting & held JSA. Waiting for helicopter. [14:45] Traveled from HI-442 to HI-268. (15:00) Arrived at HI-268. Rigged down equipment and cleaned work area.

(15:30) Traveled back to HI-442. Was able to only 4 bolt flange back on due to helicopter down time. Going to fly over in the morning to finish putting bolts on. (18:00) SDFN

SERVICE CODE	SERVICE, RENTALS, & THIRD PARTIES	QUANTITY	UNIT PRICE	AMOUNT	SERVICE CODE	SERVICE, RENTALS, & THIRD PARTIES	QUANTITY	UNIT PRICE	AMOUNT				
										EMP. NO.	HOURS	Prod.	Non-Prod.
5006	Slickline Crew & Equipment	14	\$66.00	\$1,204.00					\$0.00				
40525	Chart recorder	.5	\$135.20	\$67.60					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
Part Number	Materials Furnished				Part Number	Materials Furnished							
1300RD	End Of Job Saleable's 5K	1	\$543.40	\$543.40					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
				\$0.00					\$0.00				
Mileage Crew	Truck Number												
Mileage Equipment													
EMPLOYEE NAME		EMP. NO.	HOURS	Prod.	Non-Prod.	EMPLOYEE NAME				EMP. NO.	HOURS	Prod.	Non-Prod.
Jonathan Buquet		13				Frank Butler							
Supervisor						Signature of Customer or Authorized Representative							
Supervisor													
Assistant													

CUSTOMER NAME (print)

Frank Butler

Signature of Customer or Authorized Representative

