

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE AND BOARD MEETING (via Zoom)

NOVEMBER 18, 2020

JOHN BEL EDWARDS
GOVERNOR



THOMAS F. HARRIS
SECRETARY


State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL AND ENERGY BOARD

November 18, 2020

I, W. Paul S. Segura, Jr., Chairman of the State Mineral and Energy Board, pursuant to authority granted by Honorable John Bel Edwards, Governor of the State of Louisiana, by Executive Order JBE-2016-27 (call of meeting of the State Mineral & Energy Board), hereby call a special and additional meeting of the State Mineral and Energy Board to be held on Wednesday, November 18, 2020 for the purpose of conducting such business as may properly come before the Board.

Due to special circumstances, namely the normal meeting day of the Board is the second Wednesday of each month, and the second Wednesday of November is Veterans Day, a legal holiday necessitates that a special meeting be held during this month.

This call does not interfere with the regular call heretofore issued pursuant to Executive Order No. JBE-2016-27 for the regular monthly meeting of the State Mineral & Energy Board on the second Wednesday of each month, but specifically applies to the month of November 2020 as herein stated.



W. Paul S. Segura, Jr., Chairman

John Bel Edwards
GOVERNOR



Thomas F. Harris
SECRETARY
Jamie S. Manuel
Assistant Secretary

State of Louisiana

DEPARTMENT OF NATURAL RESOURCES

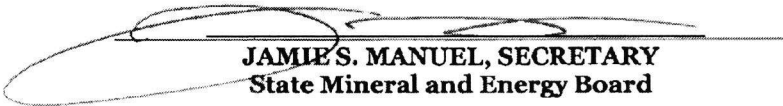
OFFICE OF MINERAL RESOURCES

CERTIFICATION OF INABILITY TO MEET IN PERSON DUE TO COVID-19 PUBLIC HEALTH EMERGENCY FOR STATE MINERAL AND ENERGY BOARD

In accordance with La. Acts 2020, No. 302 and Executive Proclamations JBE 2020-158 and JBE 2020-159, this notice shall serve as a certification of the Louisiana State Mineral and Energy Board's ("Board") inability to otherwise operate in accordance with the Louisiana Open Meetings Law as a result of the COVID-19 public health emergency. The Board will provide for attendance and quorum at its essential government meeting on November 18, 2020, via video conference. Pursuant to La. Acts 2020, No. 302, the Board must meet because:

- 1) Matters that, if they are delayed, will cause curtailment of vital public services or severe economic dislocation and hardship. Because the Board must administer the state's proprietary interest in minerals by granting leases on state owned lands, has full supervision of all mineral leases granted by the state, and has general authority to take any action for the protection of the interests of the state under Louisiana Revised Statute 30:121 *et seq.*, its continued function during this pandemic is essential and, failing timely meeting, would result in the curtailment of vital public services or severe economic dislocation and hardship.
- 2) Matters that are critical to continuation of the business of the public body and that are not able to be postponed to a meeting held in accordance with the other provisions of this Chapter due to a legal requirement or other deadline that cannot be postponed or delayed by the public body. The Board's operations must follow statutorily-mandated deadlines. It is impossible to postpone or delay the matters of the Board.

Considering the foregoing, and in accordance with La. Acts 2020, No. 302 and Executive Proclamations JBE 2020-158 and JBE 2020-159, the Board's meeting on Wednesday, November 18, 2020, at 9:15 a.m. will be held via video conference and in a manner that allows for observation and input by members of the public, as set forth in the Notice posted on November 13, 2020.


JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board



State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL AND ENERGY BOARD

Opening of Bids
November 18, 2020

A public meeting for the purpose of opening sealed bids was held on Wednesday, November 18, 2020, beginning at 9:15 a.m. via Zoom.

Byron Miller presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of Tract Nos. 45359 through 45372 which was published for lease by the Board at today's sale.

Mr. Miller stated that there were no letters of protest received for today's Lease Sale.

Mr. Miller stated that there were no tracts to be withdrawn from today's Lease Sale.

The following bids were then opened and read aloud to the assembled public by Mr. Miller:

Tract 45362

(Portion: 91.870 acres)

Bidder	:	CYPRESS ENERGY CORPORATION
Primary Term	:	Three (3) years
Cash Payment	:	\$27,101.65
Annual Rental	:	\$13,550.83
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

Tract 45366

(Portion: 205.52 acres)

Bidder	:	HILCORP ENERGY I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$46,242.00
Annual Rental	:	\$23,121.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 45367
(Entire: 11.00 acres)

Bidder	:	USG PROPERTIES
	:	HAYNESVILLE, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$16,500.00
Annual Rental	:	\$8,250.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45368
(Entire: 23.681 acres)

Bidder	:	USG PROPERTIES
	:	HAYNESVILLE, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$35,521.50
Annual Rental	:	\$17,760.75
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

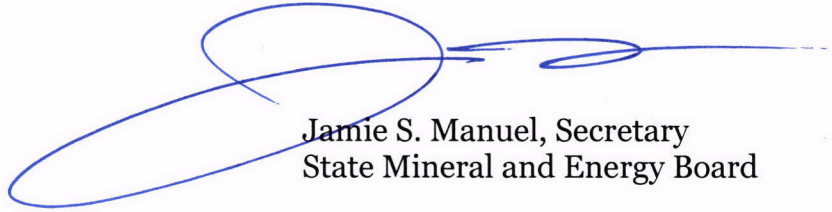
Tract 45372
(Entire: 90 acres)

Bidder	:	COMSTOCK OIL & GAS-
	:	LOUISIANA, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$162,315.00
Annual Rental	:	\$81,157.50
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

There being no further business, the meeting was concluded at 9:25 a.m.

Respectfully Submitted,

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Jamie S. Manuel, Secretary
State Mineral and Energy Board

JOHN BEL EDWARDS
GOVERNOR



THOMAS F. HARRIS
SECRETARY

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL AND ENERGY BOARD

REGULAR MEETING
November 18, 2020

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, November 18, 2020**, beginning at 9:30 a.m. via Zoom.

I. CALL TO ORDER

Mr. W. Paul Segura, Jr. Chairman, called the meeting to order.

II. ROLL CALL

He then requested Mr. Jamie Manuel, Assistant Secretary of the Office of Mineral Resources, call the roll for the purpose of establishing a quorum.

W. Paul Segura, Jr., Chairman
Carol R. LeBlanc, Vice-Chair
Thomas F. Harris, DNR Secretary
Thomas L. Arnold, Jr.
J. Todd Hollenshead
Rochelle A. Michaud-Dugas
Robert D. Watkins
Harvey "Ned" White
Willie J. Young, Sr.

The following members of the Board were recorded as absent:

Darryl D. Smith
Harry J. Vorhoff

Mr. Manuel announced that nine (9) members of the Board were present when the roll call was taken and that a quorum was established.

III. PLEDGE OF ALLEGIANCE

The Chairman led the Board in reciting the Pledge of Allegiance to the Flag of the United States of America.

IV. ELECTION OF THE CHAIRMAN AND VICE-CHAIR(MAN) OF THE STATE MINERAL AND ENERGY BOARD

The Chairman stated that the first order of business was the election of the Chairman and Vice-Chair(man).

A motion was made by Mr. Harris to re-elect Mr. Segura as Chairman and Ms. LeBlanc as Vice-Chair. His motion was seconded by Ms. Michaud-Dugas and unanimously adopted by the Board. (No public comment was made at this time.)

V. APPROVAL OF THE OCTOBER 14, 2020 MINUTES

The Chairman stated that the second order of business was the approval of the Minutes.

A motion was made by Mr. Arnold to adopt the October 14, 2020 Minutes as submitted and to waive reading of same. His motion was seconded by Ms. Michaud-Dugas and unanimously adopted by the Board. (No public comment was made at this time.)

The Chairman then stated that the next order of business was the presentation of the following Staff Reports:

** Resolutions are in chronological order at the end of the minutes*

VI. STAFF REPORTS

- a) Lease Review Report**
presented by Jason Talbot, Geology Supervisor
and Charles Bradbury, Engineering Supervisor
Geology, Engineering & Land Division
- b) Nomination and Tract Report**
presented by Byron Miller, Administrator
Geology, Engineering & Land Division
- c) Audit Report**
presented by Rachel Newman, Audit Director
Mineral Income Division
- d) Legal and Title Controversy Report**
presented by Byron Miller, Administrator
Geology, Engineering & Land Division
- e) Docket Review Report**
presented by Byron Miller, Administrator
Geology, Engineering & Land Division

**a) LEASE REVIEW REPORT
NOVEMBER 18, 2020**

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 1,089 active State Leases containing approximately 468,771 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 87 leases covering approximately 12,769 acres for lease maintenance.

II. BOARD REVIEW

1. There were no State Lease items discussed.

III. FORCE MAJEURE

1. Mr. Charles Bradbury of the Office of Mineral Resources (OMR) reported that Cox Operating LLC. (Cox) requested recognition of a force majeure event affecting State Lease Nos. 2220, 2221, 4147, 4039, and 16158 in Half Moon Lake and Eloi Bay Fields, Plaquemines Parish, Louisiana.

Mr. Bradbury further reported that these leases were initially shut-in on August 22, 2020, in advance of Hurricane Laura and were unable to be restored to production because an American Midstream Pipeline which services these leases was damaged.

Mr. Bradbury stated that staff recognized the timely notification of the force majeure condition and granted Cox until the February 10, 2021 Board Meeting to either restore production or seek other means to extend the leases through amendments to provide for oil shut-in payments to extend the leases further and, if necessary, submit said payment on or before that date.

Mr. Bradbury recommended that the Board confirm the force majeure recognition of the above stated leases until the February 10, 2021 Board Meeting.

Upon motion of Mr. Arnold, seconded by Ms. LeBlanc, and by unanimous vote of the Board, the Board approved the request by Cox Operating LLC of force majeure event affecting State Lease Nos. 2220, 2221, 4147, 4039, and 16158 in Half Moon Lake and Eloi Bay Fields, Plaquemines Parish, Louisiana, until the February 10, 2021 Board Meeting. There were no comments from the public on this matter. **(Resolution No. 20-11-001)**

2. Mr. Bradbury reported that Lobo Operating LLC (Lobo) requested recognition of force majeure condition affecting State Lease Nos. 195, 335, 1227, 15536,

16432, and 20436 in the Main Pass area, Plaquemines Parish, Louisiana. These leases remain shut-in as a result of hurricanes and a tug boat that ran into a main gas pipeline platform damaging a nexus that services all of Lobo's operations in the area.

Mr. Bradbury further reported that notification of the condition of these leases was timely, and that staff recognized the force majeure condition from September 15, 2020 until the March 10, 2021 Board Meeting to restore production in paying quantities or amend leases which can be amended to provide for oil shut-in payments to extend those leases.

Mr. Bradbury recommended that the Board confirm the force majeure recognition of the above stated leases until the March 10, 2021 Board Meeting.

Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the Board approved the request by Lobo Operating LLC for recognition of force majeure condition affecting State Lease Nos. 195, 335, 1227, 15536, 16432, and 20436 in the Main Pass area, Plaquemines Parish, Louisiana, to restore production in paying quantities or amend leases which can be amended to provide for oil shut-in payments to extend those leases. There were no comments from the public on this matter.
(Resolution No. 20-11-002)

3. Mr. Bradbury reported that Tellus Operating Group LLC. (Tellus) requested recognition of force majeure condition affecting State Lease No. 16381 in Lake Sand Field, Saint Mary Parish, Louisiana. The lease last produced on July 29, 2020, and remains shut-in as a result of storm damage to a third party facility that services this lease. The lease was producing at minimal intermittent rates and did not qualify for shut-in payments.

Mr. Bradbury further reported that notification of the condition of this lease was timely and that staff recognized the force majeure condition and granted Tellus until the February 10, 2021 Board Meeting to initiate or perform the necessary downhole operations to restore the lease to production in paying quantities.

Mr. Bradbury recommended that the Board confirm the force majeure recognition of the above stated lease until the February 10, 2021 Board Meeting.

Upon motion of Mr. Arnold, seconded by Ms. LeBlanc, and by unanimous vote of the Board, the Board approved the request by Tellus Operating Group LLC. for recognition of force majeure condition affecting State Lease No. 16381 in Lake Sand Field, Saint Mary Parish, Louisiana, until the February 10, 2021 Board Meeting to initiate or perform the necessary downhole operations to restore the lease to production in paying quantities.

There were no comments from the public on this matter. **(Resolution No. 20-11-003)**

4. Mr. Bradbury reported that Talos Energy Inc. (Talos) requested recognition of force majeure condition, after-the-fact, affecting State Lease No. 20581 in Grand Isle Block 18 Field in Plaquemines Parish, Louisiana. The lease is shut-in due to storm damage to a pipeline that services the lease from a third party commingling facility.

Mr. Bradbury further reported that notification of the condition of this lease was late and that this lease will otherwise expire without the Board's assistance.

Mr. Bradbury recommended that the Board recognize the condition of force majeure, after-the-fact, and grant Talos until the February 10, 2021 Board Meeting to re-establish production in paying quantities or to amend the state lease to provide for the ability to make shut-in oil payments to extend the lease further and submit said payment on or before that date.

Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the Board approved the request by Talos Energy Inc. for recognition of force majeure condition, after-the-fact, affecting State Lease No. 20581, until the February 10, 2021 Board Meeting to re-establish production in paying quantities or to amend the state lease to provide for the ability to make shut-in oil payments to extend the lease further and submit said payment on or before that date. There were no comments from the public on this matter. **(Resolution No. 20-11-004)**

b) NOMINATION AND TRACT REPORT
November 18, 2020
(Resolution No. 20-11-005)

The Board heard the report of Mr. Byron Miller on Wednesday November 18, 2020 relative to nominations received in the Office of Mineral Resources for the January 13, 2021 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of **Mr. Harris**, duly seconded by **Ms. LeBlanc**, the Board granted authority to Staff to advertise all such tracts that have been received by the Staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report. **(Resolution No. 20-11-005)**

c) AUDIT REPORT
October 14, 2020
(Resolution No. 20-10-003)

The first matter on the audit report was the election of the November 2020 gas royalty to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

d) LEGAL & TITLE REPORT
November 18, 2020
(Resolution Nos. 20-11-006)

Following the initial execution of the Louisiana Department of Wildlife and Fisheries (LDWF) State Lease No. 21974 awarded on May 13, 2020, Staff determined that certain revisions were necessary related to the Russell Sage Foundation and, due to the time that it took to finalize those revisions, Staff recommends to extend the primary term of the lease by an additional six (6) months.

Staff reported that State Lease No. 21974 is located in the Marsh Island Wildlife Refuge in Iberia Parish, Louisiana.

Staff further reported that one-half of any and all revenues due to the State such as royalty and rentals, except tax revenues, will be payable to the Russell Sage Foundation pursuant to R.S. 56:798.

Staff recommended that the Board approve the revised language and extension of the primary term by an additional six (6) months.

Upon motion of Mr. Arnold, seconded by Ms. LeBlanc, and by unanimous vote of the Board, the State Mineral and Energy Board granted approval of a request from Staff on behalf of the Russell Sage Foundation to accept revisions to the Louisiana Department of Wildlife and Fisheries (LDWF) State Lease No. 21974 awarded on May 13, 2020, and to extend the primary term of the lease by an additional six (6) months. **(Resolution No. 20-11-006)**

e) DOCKET REVIEW REPORT

November 18, 2020
(Resolution No(s). 20-11-007 and 20-11-008)

The Board heard the report from Byron Miller on Wednesday, November 18, 2020, relative to the following:

- Category A: State Agency Leases
There were no items for this category
- Category B: State Lease Transfers
Docket Item Nos. 1 through 6
- Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category
- Category D: Advertised Proposals
There were no items for this category

Based upon the staff's recommendation, on motion of Mr. Arnold, duly seconded by Mr. White, the Board voted unanimously to accept the following recommendations:

- Category B: State Lease Transfers
Approve Docket Item Nos. 1 and 2
(Resolution Nos. 20-11-007 and 20-11-008)

VII. EXECUTIVE SESSION

The Chairman stated that the next order of business was discussions in Executive Session to consider matters before the Board which were confidential in nature.

Upon motion of Ms. LeBlanc, seconded by Mr. White, the Board Members went into Executive Session at 9:51 a.m.

Upon motion of Mr. Arnold, seconded by Mr. Harris, the Board reconvened in open session at 10:07 a.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion regarding lease continuance issues surrounding State Lease Nos. 19760 and 19789 in Bienville and Bossier Parishes, Louisiana

Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, the Board granted authority to Staff and the Attorney General's office to negotiate as discussed in Executive Session. No comments were made by the public. **(Resolution No. 20-11-009)**

- b. A discussion of and authority to negotiate on proposed operating agreement between Oxy, Inc., the State of Louisiana, and the Department of Wildlife & Fisheries for a proposed carbon sequestration project in Ascension, Livingston, and St. James Parishes, Louisiana

Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, the Board granted authority to Staff and the Attorney General's office to negotiate as discussed in Executive Session. No comments were made by the public. **(Resolution No. 20-11-010)**

- c. The Board was briefed in Executive Session on the bids received at today's lease sale.

VIII. AWARDING OF LEASES

The Chairman stated that the next order of business was the awarding of the leases and called on Mr. Jason Talbot to present Staff's recommendations to the Board.

In regard to the following bids received, a motion was made by Mr. Arnold, and seconded by Ms. LeBlanc, with Mr. Hollenshead recusing himself from the vote, the Board voted to accept Staff's recommendations to accept the bids and award leases on the following tracts:

Tract 45362

(Portion: 91.870 acres)

Bidder	:	CYPRESS ENERGY CORPORATION
Primary Term	:	Three (3) years
Cash Payment	:	\$27,101.65
Annual Rental	:	\$13,550.83
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

Tract 45366

(Portion: 205.52 acres)

Bidder	:	HILCORP ENERGY I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$46,242.00
Annual Rental	:	\$23,121.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 45367

(Entire: 11.00 acres)

Bidder	:	USG PROPERTIES
	:	HAYNESVILLE, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$16,500.00
Annual Rental	:	\$8,250.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45368

(Entire: 23.681 acres)

Bidder	:	USG PROPERTIES
	:	HAYNESVILLE, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$35,521.50
Annual Rental	:	\$17,760.75
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45372
(Entire: 90 acres)

Bidder	:	COMSTOCK OIL & GAS-
	:	LOUISIANA, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$162,315.00
Annual Rental	:	\$81,157.50
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Leases awarded were conditioned on tract descriptions being accurate, overlapped prior leases being subtracted from acreage bid on, acreage amount being verified and agreed between bidder and state and portion bids verified as being located within advertised boundary of tracts. (No public comment was made at this time.)

This concluded the awarding of the leases.

IX. NEW BUSINESS

The Chairman then announced that the next order of business would be the discussion of new business.

No new business was presented.

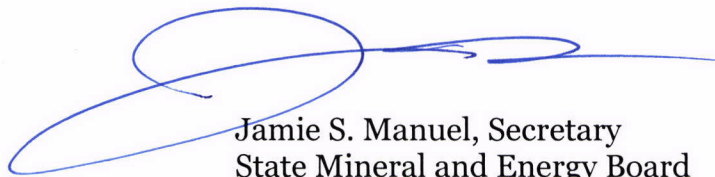
X. ANNOUNCEMENTS

Mr. Manuel stated that the leases awarded totaled \$287,680.15 for the November 18, 2020 Lease Sale bringing the fiscal year total to \$2,399,535.09.

XI. ADJOURNMENT

The Chairman then stated there being no further business to come before the Board, upon motion of Ms. Michaud-Dugas, seconded by Ms. LeBlanc, the meeting was adjourned at 10:10 a.m.

Respectfully Submitted,



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #20-11-001

(LEASE REVIEW REPORT)

WHEREAS, on motion of Mr. Arnold, seconded by Ms. LeBlanc, the following resolution was offered and adopted:

WHEREAS, Mr. Charles Bradbury of the Office of Mineral Resources (OMR) made a report on a request by Cox Operating LLC. (Cox) of a force majeure event affecting State Lease Nos. 2220, 2221, 4147, 4039, and 16158 in Half Moon Lake and Eloi Bay Fields, Plaquemines Parish, Louisiana; and,

WHEREAS, these State Leases were initially shut-in on August 22, 2020, in advance of Hurricane Laura and were unable to be restored to production because an American Midstream Pipeline which services these leases was damaged; and,


WHEREAS, the Staff recognized the timely notification of the force majeure condition and granted Cox until the February 10, 2021 Board Meeting to either restore production or seek other means to extend the leases through amendments to provide for oil shut-in payments to extend the leases further and, if necessary, submit said payment on or before that date; and,

WHEREAS, the Staff recommends that the Board confirm the force majeure recognition of the above stated leases until the February 10, 2021 Board Meeting.

NOW THEREFORE BE IT RESOLVED, that the State Mineral and Energy Board approves the request by Cox Operating LLC of force majeure event affecting State Lease Nos. 2220, 2221, 4147, 4039, and 16158 in Half Moon Lake and Eloi Bay Fields, Plaquemines Parish, Louisiana, until the February 10, 2021 Board Meeting to either restore production or seek other means to extend the leases through amendments to provide for oil shut-in payments to extend the leases further and, if necessary, submit said payment on or before that date.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 18th day of November, 2020 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #20-11-002

(LEASE REVIEW REPORT)

WHEREAS, on motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, the following resolution was offered and adopted:

WHEREAS, Mr. Charles Bradbury of the Office of Mineral Resources (OMR) made a report on a request by Lobo Operating LLC (Lobo) for recognition of force majeure condition affecting State Lease Nos. 195, 335, 1227, 15536, 16432, and 20436 in the Main Pass area, Plaquemines Parish, Louisiana; and,

WHEREAS, these leases remain shut-in as a result of hurricanes and a tug boat that ran into a main gas pipeline platform damaging a nexus that services all of Lobo's operations in the area; and,

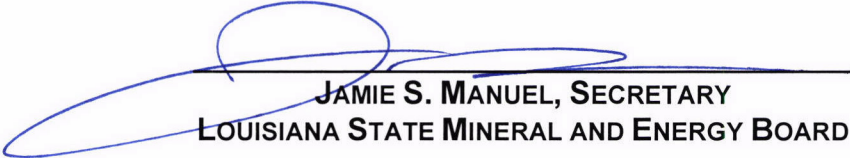
WHEREAS, the Staff recognized the timely notification of the force majeure condition from September 15, 2020 until the March 10, 2021 Board Meeting to restore production in paying quantities or amend leases which can be amended to provide for oil shut-in payments to extend those leases.

WHEREAS, the Staff recommends that the Board confirm the force majeure recognition of the above stated leases until the March 10, 2021 Board Meeting.

NOW THEREFORE BE IT RESOLVED, that the State Mineral and Energy Board approves the request by Lobo Operating LLC for recognition of force majeure condition affecting State Lease Nos. 195, 335, 1227, 15536, 16432, and 20436 in the Main Pass area, Plaquemines Parish, Louisiana, from September 15, 2020 until the March 10, 2021 Board Meeting to restore production in paying quantities or amend leases which can be amended to provide for oil shut-in payments to extend those leases.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 18th day of November, 2020 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #20-11-003

(LEASE REVIEW REPORT)

WHEREAS, on motion of Mr. Arnold, seconded by Ms. LeBlanc, the following resolution was offered and adopted:

WHEREAS, Mr. Charles Bradbury of the Office of Mineral Resources (OMR) made a report on a request by Tellus Operating Group LLC. (Tellus) for recognition of force majeure condition affecting State Lease No. 16381 in Lake Sand Field, Saint Mary Parish, Louisiana; and,

WHEREAS, this State Lease last produced on July 29, 2020, and remains shut-in as a result of storm damage to a third party facility that services this lease. The lease was producing at minimal intermittent rates and did not qualify for shut-in payments; and,

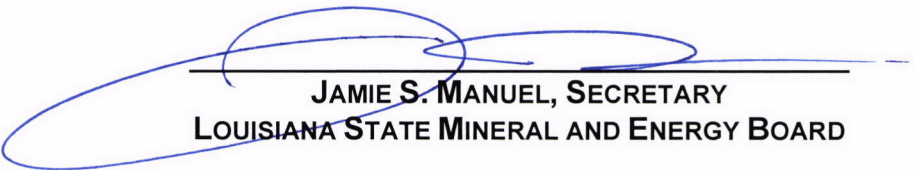
WHEREAS, the Staff recognized the timely notification of the force majeure condition and granted Tellus until the February 10, 2021 Board Meeting to initiate or perform the necessary downhole operations to restore the lease to production in paying quantities; and,

WHEREAS, the Staff recommends that the Board confirm the force majeure recognition of State Lease No. 16381 until the February 10, 2021 Board Meeting.

NOW THEREFORE BE IT RESOLVED, that the State Mineral and Energy Board approves the request by Tellus Operating Group LLC. for recognition of force majeure condition affecting State Lease No. 16381 in Lake Sand Field, Saint Mary Parish, Louisiana, until the February 10, 2021 Board Meeting to initiate or perform the necessary downhole operations to restore the lease to production in paying quantities.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 18th day of November, 2020 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #20-11-004

(LEASE REVIEW REPORT)

WHEREAS, on motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, the following resolution was offered and adopted:

WHEREAS, Mr. Charles Bradbury of the Office of Mineral Resources (OMR) made a report on a request by Talos Energy Inc. (Talos) for recognition of force majeure condition affecting State Lease No. 20581 in Grand Isle Block 18 Field in Plaquemines Parish, Louisiana; and,

WHEREAS, the Staff reported that this lease is shut-in due to storm damage to a pipeline that services the lease from a third party commingling facility and the lease last produced on July 6, 2020; and,

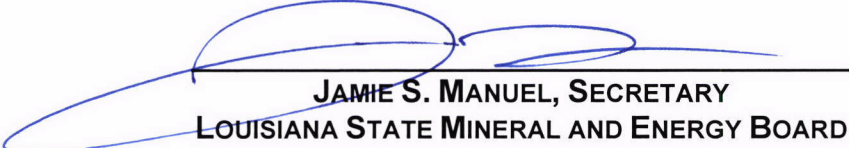
WHEREAS, the Staff further reported that notification of the force majeure condition was after-the-fact with a late report and that this lease will otherwise expire without assistance from the State Mineral and Energy Board ("Board"); and,

WHEREAS, the Staff recommends that the Board recognize the condition of force majeure, after-the-fact, and grant Talos until the February 10, 2021 Board Meeting to re-establish production in paying quantities or to amend the state lease to provide for the ability to make shut-in oil payments to extend the lease further and submit said payment on or before that date.

NOW THEREFORE BE IT RESOLVED, that the State Mineral and Energy Board approves the request by Talos Energy Inc. for recognition of force majeure condition, after-the-fact, affecting State Lease No. 20581 in Grand Isle Block 18 Field in Plaquemines Parish, Louisiana, until the February 10, 2021 Board Meeting to re-establish production in paying quantities or to amend the state lease to provide for the ability to make shut-in oil payments to extend the lease further and submit said payment on or before that date.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 18th day of November, 2020 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Authority to Advertise
Tracts for the January
13,
2021 Lease Sale

RESOLUTION #20-11-005

(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Byron Miller reported that eight (8) tract(s) were nominated for the January 13, 2021 Mineral Lease Sale, and requested that same be advertised pending staff review;

ON MOTION of **Mr. Harris**, seconded by **Ms. Leblanc**, the following recommendation was offered and unanimously adopted by the Board after discussion and careful consideration:

That the State Mineral and Energy Board grant approval to advertise all such tract(s) for the January 13, 2021 Mineral Lease Sale;

NOW, BE IT THEREFORE RESOLVED, that the State Mineral and Energy Board does hereby approve and authorize the advertising of all such tracts received by the staff of the Office of Mineral Resources, as well as any tracts that were previously advertised and rolled over, and to otherwise approve the Nomination and Tract Report.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 18th day of November 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



Jamie S. Manuel, Secretary
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #20-11-006

(LEGAL & TITLE CONTROVERSY REPORT)

Revisions to LDWF Lease
21974 to extend term by
six (6) months.

WHEREAS, following the initial execution of the Louisiana Department of Wildlife and Fisheries (LDWF) State Lease No. 21974 awarded on May 13, 2020, Staff determined that certain revisions were necessary related to the Russell Sage Foundation and due to the time that it took to finalize those revisions, Staff recommends to extend the primary term of the lease by an additional six (6) months; and

WHEREAS, in response to this request, Staff offered the following recommendation for consideration by the Board:

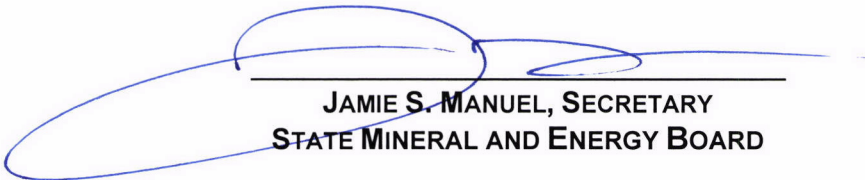
That the Board approve the revised language and extension of the primary term by an additional six (6) months.

ON MOTION of Mr. Arnold, seconded by Ms. LeBlanc, after discussion and careful consideration, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board approved the revisions to the Louisiana Department of Wildlife and Fisheries (LDWF) State Lease No. 21974 awarded on May 13, 2020, and the extension of the primary term of the lease by an additional six (6) months.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 18th day of November, 2020 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #20-11-007

(DOCKET)

On motion of Mr. Arnold, seconded by Mr. White, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the November 18, 2020 meeting be approved, said being an Assignment from Cypress Energy Corporation to LLOLA, L.L.C., of all of Assignor's right, title and interest in and to State Lease Nos. 21948, 21949 and 21970, Lafourche and Terrebonne Parishes, Louisiana, with further particulars being stipulated in the instrument.

LLOLA, L.L.C. is designated as the joint account Lessee (contact company) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

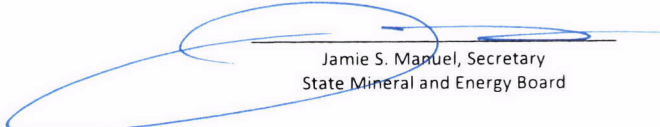
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 18th day of November, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #20-11-008
(DOCKET)

On motion of Mr. Arnold, seconded by Mr. White, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the November 18, 2020 meeting be approved, said being an Assignment from Cypress Energy Corporation to Indigo Minerals LLC, of all of Assignor's right, title and interest in and to State Lease No. 21981, DeSoto and Natchitoches Parishes, Louisiana, with further particulars being stipulated in the instrument.

Indigo Minerals LLC is designated as the joint account Lessee (contact company) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;

2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;

3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

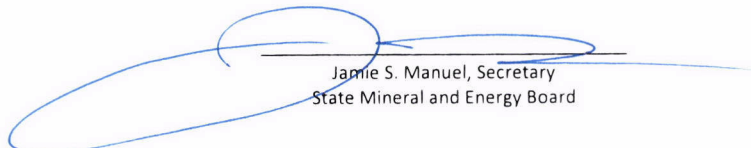
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 18th day of November, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Discussion regarding lease
continuance issues surrounding
State Lease Nos. 19760 and 19789
in Bienville & Bossier Parishes, LA

RESOLUTION # 20-11-009

(EXECUTIVE SESSION)

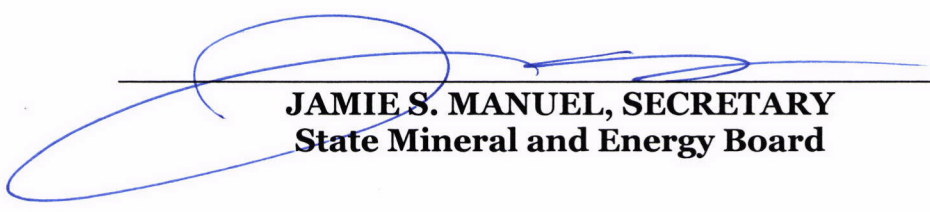
WHEREAS, a discussion regarding lease continuance issues surrounding State Lease Nos. 19760 and 19789 in Bienville and Bossier Parishes, Louisiana;

ON MOTION of Mr. Arnold, seconded by Ms. Michaud-Dugas, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to negotiate as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 18th day of November, 2020 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Discussion of and authority to
negotiate on proposed operating
agreement between Oxy, Inc., the State
of LA, & the Dept of Wildlife & Fisheries
for a proposed carbon sequestration
project in Ascension, Livingston, & St.
James Parishes. LA

RESOLUTION # 20-11-010

(EXECUTIVE SESSION)

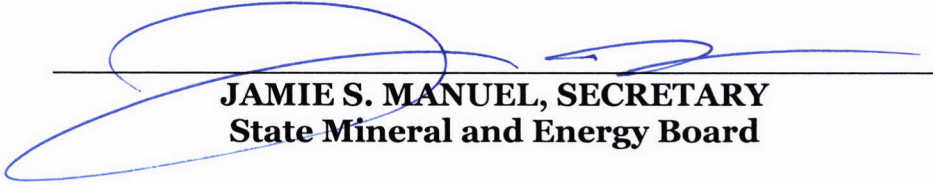
WHEREAS, a discussion of and authority to negotiate on proposed operating agreement between Oxy, Inc., the State of Louisiana, and the Department of Wildlife & Fisheries for a proposed carbon sequestration project in Ascension, Livingston, and St. James Parishes, Louisiana;

ON MOTION of Mr. Arnold, seconded by Ms. Michaud-Dugas, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to negotiate as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 18th day of November, 2020 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board