

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE AND BOARD MEETING (via Zoom)

MARCH 10, 2021

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 2021-17 and JBE 2021-18, 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 March 10, 2021, 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 2021-17 and JBE 2021-18, the Board's meeting on Wednesday, March 10, 2021, 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 March 5, 2021.


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

Opening of Bids
March 10, 2021

A public meeting for the purpose of opening sealed bids was held on Wednesday, March 10, 2021, 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. 45400 through 45405 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 Tract No. 45404 was withdrawn from today's Lease Sale.

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

Tract 45401
(Entire: 5 acres)

Bidder	:	BRIX OPERATING LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$5,000.00
Annual Rental	:	\$2,5000.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45403
(Entire: 6 acres)

Bidder	:	HILCORP ENERGY I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$1,320.00
Annual Rental	:	\$660.00
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

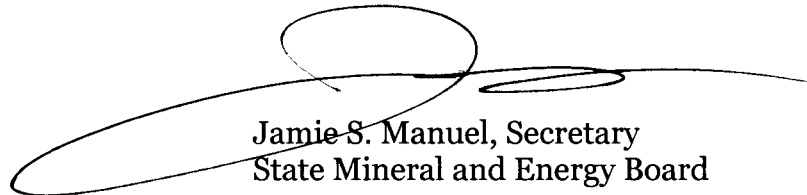
Tract 45405
(Entire: 57.388 acres)

Bidder	:	BPX Properties (NA) LP
Primary Term	:	Three (3) years
Cash Payment	:	\$86,082.00
Annual Rental	:	\$43,041.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

There being no further business, the Opening of the Bids Meeting was concluded at 9:21 a.m.

Respectfully Submitted,



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
March 10, 2021

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, March 10, 2021**, 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
Harry J. Vorhoff

The following members of the Board were recorded as absent:

Willie J. Young, Sr.
Darryl D. Smith

Mr. Manuel announced that a quorum of nine (9) members 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. APPROVAL OF THE FEBRUARY 10, 2021 MINUTES

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

A motion was made by Ms. LeBlanc to adopt the February 10, 2021 Minutes as submitted and to waive reading of same. Her 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*

V. STAFF REPORTS

- a) **Lease Review Report**
presented by Jason Talbot, Petroleum Scientist Manager
and Charles Bradbury, P.E., Engineering Supervisor
Geology, Engineering & Land Division
- b) **Nomination and Tract Report**
presented by Byron Miller, Petroleum Scientist 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, Petroleum Scientist Administrator
Geology, Engineering & Land Division
- e) **Docket Review Report**
presented by Byron Miller, Petroleum Scientist Administrator
Geology, Engineering & Land Division

**a) LEASE REVIEW REPORT
March 10, 2021
(Resolution No. 21-03-001)**

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 1,079 active State Leases containing approximately 466,083 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 139 leases covering approximately 55,804 acres for lease maintenance

II. BOARD REVIEW

1. There were no State Lease items to bring before the Board.

III. FORCE MAJEURE

1. Mr. Charles Bradbury of the Office of Mineral Resources (OMR) reported that Lobo Operating Inc. requested an extension of Force Majeure for State Lease Nos. 335, 1227 and 15536 for a period of three (3) months to complete construction and restore production.

Mr. Bradbury recommended that the Board grant the three (3) month extension until the June 9, 2021 Board Meeting where the matter will be reconsidered.

Upon motion of Mr. Arnold, seconded by Ms. LeBlanc, and by unanimous vote of the Board, the Board approved the request by Lobo Operating Inc. for a three (3) month extension of Force Majeure for State Lease Nos. 335, 1227 and 15536 to complete construction and restore production until the June 9, 2021 Board Meeting where the matter will be reconsidered.
(Resolution No. 21-03-001)

b) NOMINATION AND TRACT REPORT

March 10, 2021

(Resolution Nos. 21-03-002, 003)

The Board heard the report of Mr. Byron Miller on Wednesday March 10, 2021 relative to nominations received in the Office of Mineral Resources for the May 12, 2021 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of **Mr. Arnold**, duly seconded by **Ms. Michaud-Dugas**, 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. 21-03-003)**

A request by Staff to withdraw Tract 45404 due to improper advertisement. On the recommendation from Staff and on the motion of **Mr. Arnold**, duly seconded by **Mr. Harris**, the board voted unanimously to withdraw said Tract from the March 10, 2021 Lease Sale and grant the Staff the authority to advertise said Tract at a later Lease Sale.

(Resolution No. 21-03-002)

c) AUDIT REPORT
March 10, 2021

The first matter on the audit report was the election of the March 2021 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 CONTROVERSY REPORT

March 10, 2021
(Resolution No. 21-03-004)

The State Mineral and Energy Board (Board) received a request by Southern Oil of Louisiana LLC (Southern Oil) for a one (1) year extension of the primary term of State Lease Nos. 21819, 21820, and 21821 as to acreage within the U-3 RC SUA and the TEX W RA SUA Units, E Cox Bay and Quarantine Bay Fields, located in Plaquemines Parish, Louisiana.

Staff reported that as consideration for the one (1) year lease extension of the primary term of these leases, Southern Oil proposes a payment of \$225 per acre calculated for each lease based on the acreage of each lease included in the respective units.

Staff recommended that the Board approve the extension of these leases as stated above.

Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the State Mineral and Energy Board granted approval to Southern Oil of Louisiana LLC for a one (1) year extension of the primary term of State Lease Nos. 21819, 21820, and 21821 for the payment of \$225 per acre calculated for each lease based on the acreage of each lease within the U-3 RC SUA and the TEX W RA SUA Units, E Cox Bay and Quarantine Bay Fields, until June 13, 2022. **(Resolution No. 21-03-004)**

e) DOCKET REVIEW REPORT
March 10, 2021
(Resolution No(s). 21-03-005 thru 21-03-010)

The Board heard the report from Byron Miller on Wednesday, March 10, 2021, 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 3
- Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category
- Category D: Advertised Proposals
Docket Item No. 1 and 2

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

- Category B: State Lease Transfers
Docket Item Nos. 1 through 3
(Resolution Nos. 21-03-005 through 21-03-007)
- Category D: Advertised Proposals
Docket Item Nos. 1 through 3
(Resolution Nos. 21-03-008 and 21-03-010)

VI. 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. Arnold, the Board Members went into Executive Session at 9:45 a.m.

Upon motion of Ms. Michaud-Dugas, by Mr. Watkins, the Board reconvened in open session at 9:57 a.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion of and authority to negotiate on proposed operating agreement between Capio Sequestration, LLC, the State of Louisiana, and the Department of Wildlife & Fisheries for a proposed carbon sequestration project in St. John the Baptist Parish, 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. 21-03-011)**

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

VII. 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.

Three (3) bids were received on three (3) of the six (6) tracts up for bid (Tract 45404 was withdrawn), a motion was made by Ms. Michaud-Dugas, and seconded by Mr. Arnold, the Board voted to accept Staff's recommendations to accept the following bids and award leases on the following tracts:

Tract 45401
(Entire: 5 acres)

Bidder	:	BRIX OPERATING LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$5,000.00
Annual Rental	:	\$2,5000.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45403
(Entire: 6 acres)

Bidder	:	HILCORP ENERGY I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$1,320.00
Annual Rental	:	\$660.00
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

Tract 45405
(Entire: 57.388 acres)

Bidder	:	BPX Properties (NA) LP
Primary Term	:	Three (3) years
Cash Payment	:	\$86,082.00
Annual Rental	:	\$43,041.00
Royalties	:	25% on oil and gas
	:	25% 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.

VII. NEW BUSINESS

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

No new business was presented.

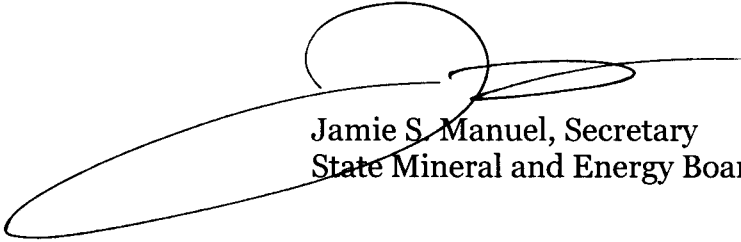
IX. ANNOUNCEMENTS

Mr. Manuel stated that the leases awarded totaled \$92,402.00 for the March 10, 2021 Lease Sale bringing the fiscal year total to \$4,347,537.96.

X. 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 10:01 a.m.

Respectfully Submitted,



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #21-03-001

(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 made a report on a request by Lobo Operating Inc. for an extension of Force Majeure for State Lease Nos. 335, 1227 and 15536 for a period of three (3) months to complete construction and restore production; and

WHEREAS, the Staff recommends that the Board grant the three (3) month extension until the June 9, 2021 Board Meeting where the matter will be reconsidered.

NOW THEREFORE BE IT RESOLVED, that the State Mineral and Energy Board hereby grants Lobo Operating Inc. a three (3) month extension to the force majeure affecting State Lease Nos. 335, 1227 and 15536 until the June 9, 2021 Board Meeting where the matter will be reconsidered.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of March, 2021, 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

Withdraw Tract 45404
from the March 10, 2021
Lease Sale

Resolution #21-03-002

(NOMINATION AND TRACT REPORT)

WHEREAS, the Staff presented a recommendation to withdraw Tract No. 45404 from the March 10, 2021 Lease Sale and be granted authority for said tract to be advertised at a later date;

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

That the State Mineral and Energy Board grant final approval to withdraw said tract for the March 10, 2021 Mineral Lease Sale and be granted authority to be advertised at a later date;

NOW, BE IT THEREFORE RESOLVED, that the State Mineral and Energy Board does hereby approve and authorize the withdrawal of said tract from the March 10, 2021 Lease Sale, 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 10th day of March 2021, 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

Authority to Advertise
Tracts for the May 12,
2021 Lease Sale

RESOLUTION #21-03-003

(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Byron Miller reported that Six (6) tract(s) were nominated for the May 12, 2021 Mineral Lease Sale, and requested that same be advertised pending staff review;

ON MOTION of Mr. Arnold, seconded by Ms. Michaud-Dugas, 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 May 12, 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 10th day of March 2021, 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 #21-03-004

(LEGAL & TITLE CONTROVERSY REPORT)

Southern Oil of Louisiana,
LLC – Request to extend
primary term of State Lease
Nos. 21819, 21820 and 21821
for one (1) year.

WHEREAS, a request was received by the State Mineral and Energy Board from Southern Oil of Louisiana, LLC (Southern Oil) to extend the primary term of State Lease Nos. 21819, 21820, and 21821 for a one (1) year extension as to acreage within the U-3 RC SUA and the TEX W RA SUA Units, E Cox Bay and Quarantine Bay Fields, located in Plaquemines Parish, Louisiana; and

WHEREAS, Southern Oil has agreed that as consideration for the lease extensions, Southern Oil will pay a payment of \$225 per acre calculated for each lease based on the acreage of each lease included in these units; and

WHEREAS, in response to this request, OMR Staff offered the following recommendation for consideration by the State Mineral and Energy Board (Board):

That the Board approve the request to amend these leases as stated above until June 13, 2022.

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 does hereby approve the foregoing request by Southern Oil of Louisiana, LLC to extend the primary term of State Lease Nos. 21819, 21820, and 21821, extending the expiration date to June 13, 2022, for a payment of \$225 per acre calculated for each lease based on the acreage of each lease included in the units.

CERTIFICATE

I **HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of March, 2021, 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 said 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

Resolution #21-03-005

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the March 10, 2021 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. 21966 and 21990, Plaquemines Parish, 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;

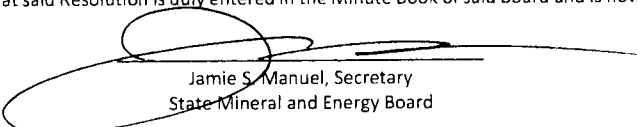
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 10th day of March, 2021, 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 #21-03-006

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the March 10, 2021 meeting be approved, said being an Assignment from SR Acquisition I, LLC to White River SPV2 LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 502, 1461, 1462, 3557, 14617 and 20884, Catahoula and LaSalle Parishes, Louisiana, with further particulars being stipulated in the instrument.

White River SPV2 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;

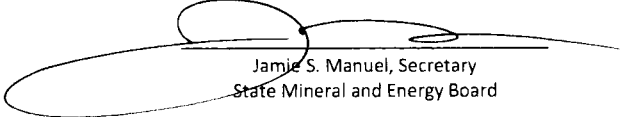
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 10th day of March, 2021, 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 #21-03-007

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the March 10, 2021 meeting be approved, said being an Assignment from White River SPV 2 LLC to Day Town Oil, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 502, 1461, 1462, 14617 and 20884, LaSalle Parish, Louisiana, with further particulars being stipulated in the instrument.

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

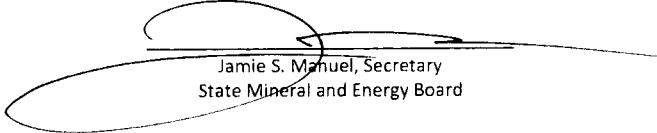
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 10th day of March, 2021, 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 #21-03-008

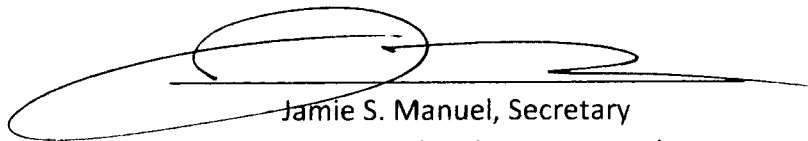
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item 21-05 from the March 10, 2021 meeting be approved, said instrument being an Operating Agreement by and between the State Mineral and Energy Board of the State of Louisiana, acting for and on behalf of the State of Louisiana and BPX Properties (NA) LP, to create an operating tract for the exploration and development of oil gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the state a State Production Interest equal to 25% interest before payout, increasing to 25.5% after payout, in and to the operating tract, containing 10.765 acres, more or less, shown as Tract No.(s) 5A & 5B on the survey plat for the HA RA SUR (Exhibit "A"), being a portion former State Lease No. 19760, located in Section 8, Township 15 North, Range 10 West, Bienville and Bossier Parishes, Louisiana, with further particulars being stipulated in the 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 10th day of March, 2021 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.

A handwritten signature in black ink, appearing to read 'Jamie S. Manuel', is written over a horizontal line. The signature is stylized with a large loop at the beginning and a long horizontal stroke extending to the right.

Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #21-03-009

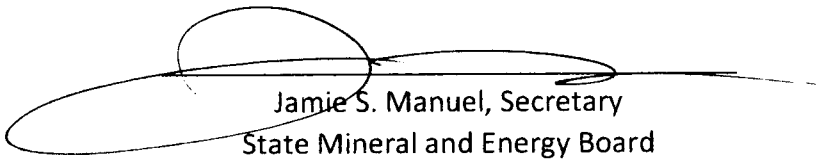
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item 21-06 from the March 10, 2021 meeting be approved, said instrument being a Lease Extension and Amendment by and between the State Mineral and Energy Board of the State of Louisiana, acting for and on behalf of the State of Louisiana, Sun Louisiana, LLC and Pinnacle Energy International (USA) I LLC, whereas said parties desire to extend the Primary Term of State Lease No. 21754, located in St. Bernard Parish, from March 14, 2021 to March 14, 2022, with further particulars being stipulated in the 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 10th day of March, 2021 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 #21-03-010

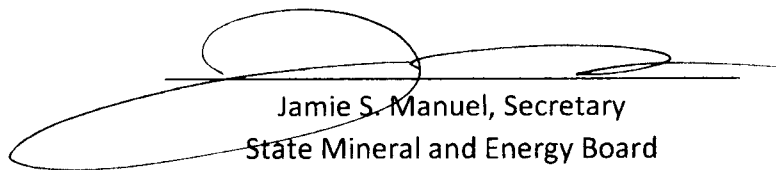
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item 21-07 from the March 10, 2021 meeting be approved, said instrument being a Lease Extension and Amendment by and between the State Mineral and Energy Board of the State of Louisiana, acting for and on behalf of the State of Louisiana, Sun Louisiana, LLC and Pinnacle Energy International (USA) I LLC, whereas said parties desire to extend the Primary Term of State Lease No. 21787, located in St. Bernard Parish, from March 14, 2021 to March 14, 2022, with further particulars being stipulated in the 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 10th day of March, 2021 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 A discussion of and authority to negotiate on proposed operating agreement between Capio Sequestration, LLC, the State of Louisiana, and the Department of Wildlife & Fisheries for a proposed carbon sequestration project in St. John the Baptist Parish, Louisiana

RESOLUTION # 21-03-011

(EXECUTIVE SESSION)

WHEREAS, a discussion of and authority to negotiate on proposed operating agreement between Capio Sequestration, LLC, the State of Louisiana, and the Department of Wildlife & Fisheries for a proposed carbon sequestration project in St. John the Baptist Parish, 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 10th day of March, 2021 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