

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE AND BOARD MEETING (via Zoom)

APRIL 14, 2021

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
April 14, 2021

A public meeting for the purpose of opening sealed bids was held on Wednesday, April 14, 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. 45406 through 45422 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 Miller stated that there were no tracts to be withdrawn from today's Lease Sale.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 45408

(Portion: 85.670 acres)

Bidder	:	CYPRESS ENERGY CORPORATION
Primary Term	:	Five (5) years
Cash Payment	:	\$32,554.60
Annual Rental	:	\$16,277.30
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45409

(Portion: 216.826 acres)

Bidder	:	ALLEN & KIRMSE, LTD.
Primary Term	:	Three (3) years
Cash Payment	:	\$43,365.20
Annual Rental	:	\$21,682.60
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45412

(Portion: 1,532.68 acres)

Bidder	:	HILCORP ENERGY I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$337,189.60
Annual Rental	:	\$168,594.80
Royalties	:	21.25% on oil and gas
	:	21.25% on other minerals
Additional Consideration	:	None

Tract 45415

(Entire: 511 acres)

Bidder	:	ENSIGHT IV ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$984,952.50
Annual Rental	:	\$492,476.25
Royalties	:	23.25% on oil and gas
	:	23.25% on other minerals
Additional Consideration	:	None

Tract 45416

(Entire: 11.014 acres)

Bidder	:	MADOLE LAND SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$16,521.00
Annual Rental	:	\$8,260.50
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45417

(Entire: 155.910 acres)

Bidder	:	MADOLE LAND SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$233,865.00
Annual Rental	:	\$116,932.50
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45418
(Entire: 1.419 acres)

Bidder	:	BRIX OPERATING LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$1,419.00
Annual Rental	:	\$709.50
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45420
(Portion: 27.340 acres)

Bidder	:	CYPRESS ENERGY CORPORATION
Primary Term	:	Three (3) years
Cash Payment	:	\$10,389.20
Annual Rental	:	\$5,194.60
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

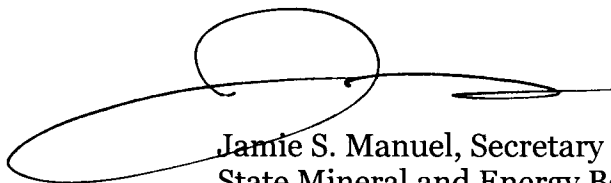
This concluded the reading of the bids.

Upon motion of Ms. Michaud-Dugas, by Mr. Watkins, the Opening of the Bids Meeting was recessed at 9:30 a.m. to open the Regular Meeting of the Board.

Upon motion of Ms. Michaud-Dugas, by Mr. Watkins, the Opening of the Bids Meeting was then reopened at 9:32 a.m. after the Regular Meeting was recessed.

There being no further business, the Opening of the Bids Meeting was concluded at 9:36 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
April 14, 2021

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, April 14, 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
Willie J. Young, Sr.

The following members of the Board were recorded as absent:

Darryl D. Smith
Harry J. Vorhoff

Mr. Manuel announced that a quorum of nine (9) members was established.

Upon motion of Ms. Michaud-Dugas, by Mr. Watkins, the Regular Meeting was recessed and the Opening of the Bids Meeting was reopened at 9:32 a.m.

Upon motion of Ms. Michaud-Dugas, by Mr. White, the Regular Meeting was reopened at 9:36 a.m.

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 MARCH 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 March 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
APRIL 14, 2021
(Resolution No. 21-04-001)**

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 1,065 active State Leases containing approximately 460,895 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 96 leases covering approximately 56,492 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 S2 Energy Operating LLC (S2 Energy) requested a three (3) month extension of Force Majeure condition for State Lease Nos. 192 and 1772 in Timbalier Bay Field, Lafourche Parish, Louisiana.

Mr. Bradbury further reported that these leases were initially shut-in in October 2020 and remain shut-in primarily as a result of Hurricane Zeta which caused major damage to their facilities.

Mr. Bradbury recommended that the Board extend the Force Majeure condition until the July 14, 2021 Board meeting to allow S2 Energy 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.

Upon motion of Ms. LeBlanc, seconded by Secretary Harris, and by unanimous vote of the Board, the Board approved the request by S2 Energy Operating LLC for an extension of Force Majeure condition for State Lease Nos. 192 and 1772 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 the July 14, 2021 Board Meeting where the matter will be reconsidered. Comments were received from Mr. David Vanicor of Krewe Energy, LLC. **(Resolution No. 21-04-001)**

b) NOMINATION AND TRACT REPORT
April 14, 2021
(Resolution No. 21-04-002)

The Board heard the report of Mr. Byron Miller on Wednesday April 14, 2021 relative to nominations received in the Office of Mineral Resources for the June 9, 2021 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of Mr. Watkins, 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. 21-04-002)**

c) AUDIT REPORT
April 14, 2021
(Resolution No. 21-04-003)

The first matter on the audit report was a request to place Smith Production Co., and any parties associated with the leases, on demand for outstanding billings, which were the result for late payment of royalty, liquidated damage penalty, and reporting errors.

Upon recommendation of Staff and upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, the Board granted authorization to the Attorney General's Office to place Smith Production Co., and any affiliated parties or parties associated with the leases, on demand, and further granted authority to the Attorney General's office to file suit for unpaid penalties should compliance with the demand request not be made within a reasonable time. **(Resolution No. 21-04-003)**

The second matter on the audit report was the election of the April 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
APRIL 14, 2021
(Resolution No. 21-04-004 thru 21-04-007)

The first matter considered by the State Mineral and Energy Board (Board) was a request by Staff for approval of an extension, clarification and revision to the Royalty Reduction Program, Resolution #19-07-007, adopted at the July 10, 2019 State Mineral and Energy Board Meeting.

Staff reported that there has been confusion in the original Resolution #19-07-007 wherein clarification was needed in reference to the word "Lease" in the first paragraph of the listed terms.

Staff also reported that there has been confusion among lessees regarding the time period for each lease to qualify for the royalty reduction.

Staff also proposed that the Royalty Reduction Program be extended to December 2022.

Staff recommended that the Board approve the extension, clarification and revision to the Royalty Reduction Program, Resolution #19-07-007.

Upon motion of Mr. Watkins, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the State Mineral and Energy Board granted approval of the extension, clarification and revision to the Royalty Reduction Program as indicated above. There were no comments from the public on this matter. **(Resolution No. 21-04-004)**

The second matter considered by the Board was a request by Staff for approval by the State Mineral and Energy Board of an alteration to the policy regarding Wellbore Assignments.

Staff reported when lease reviews have been conducted, it has been noted that royalty payments do not match the volume due to the assignment of interest in Wellbore Assignments to horizontal wells.

Staff stated that R.S. 30.128, Section C, reads that "A transfer for purposes of this Section shall not be deemed to occur by the granting of a mortgage in, collateral assignment of production from, or other security interest in a mineral lease or sublease or the transfer of an overriding royalty interest, production, payment, net profits interest, or similar interest in a mineral lease or sublease."

Staff further stated that Louisiana Administrative Code Title 43, Part 5, Section 503, Section C, reads that "Any assignment must clearly show that a working interest in a state mineral lease is being transferred (no net revenue interest, override royalty, well

bore interest, or other similar non-working interest transfer will be approved by the State Mineral Board)...”

Staff explained that some Wellbore assignments do qualify as having a working interest in a state mineral lease and may come before the Board for approval.

Staff recommended that the Board approve the alteration to the policy regarding Wellbore Assignments as indicated above.

Upon motion of Secretary Harris, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the State Mineral and Energy Board granted approval of Staff's request for alteration of the policy regarding Wellbore Assignments as referenced above. There were no comments from the public on this matter. **(Resolution No. 21-04-005)**

The third matter considered by the Board was a request by Staff to advertise a notice of discussions with interested parties regarding possible agreements to sequester carbon dioxide beneath State owned lands and water bottoms and lands owned and managed by the Department of Wildlife and Fisheries.

Staff recommended that the Board approve the request to advertise the above referenced notice.

Ms. Michaud-Dugas made a motion for OMR Staff to create a timeline for the granting of possible sequestration agreements to sequester carbon dioxide beneath State owned lands and water bottoms and lands owned and managed by the Department of Wildlife and Fisheries.

Ms. Michaud-Dugas amended her motion to allow OMR Staff to advertise the above referenced notice for the granting of possible sequestration agreements to sequester carbon dioxide beneath State owned lands and water bottoms and lands owned and managed by the Department of Wildlife and Fisheries. Mr. White seconded the motion, and by unanimous vote of the Board, the State Mineral and Energy Board granted this amended motion. **(Resolution No. 21-04-006)**

Comments were received from Ms. Marjorie McKeithen of Jones Walker; Mr. Kyle Balkum of the Department of Wildlife and Fisheries; Mr. Matthew Hagen of Air Products, Inc.; and Mr. Pete Hollis of Capio Sequestration, LLC.

The fourth matter considered by the Board was a request to approve a late Upfront Consideration payment from BPX Energy Inc. for the Operating Agreement A0390 approved at the March 10, 2021 State Mineral and Energy Board Meeting.

Staff recommended that the Board approve the receipt of the late Upfront Consideration payment for the above referenced Operating Agreement.

Upon motion of Secretary Harris, seconded by Mr. White, and by unanimous vote of the Board, the State Mineral and Energy Board granted approval of the late Upfront Consideration payment received from BPX Energy Inc. for Operating Agreement A0390 approved at the March 10, 2021 State Mineral and Energy Board Meeting. There were no comments from the public on this matter. **(Resolution No. 21-04-007)**

e) DOCKET REVIEW REPORT
April 14, 2021
(Resolution No(s). 21-04-008 thru 21-04-014)

The Board heard the report from Byron Miller on Wednesday, April 14, 2021, relative to the following:

- Category A: State Agency Leases
Docket Items Nos. 1 through 3
- 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

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

- Category A: State Agency Leases
Docket Items Nos. 1 through 3
(Resolution Nos. 21-04-008 through 21-04-010)
- Category B: State Lease Transfers
Docket Item Nos. 1 through 3
(Resolution Nos. 21-04-011 through 21-04-013)
- Category D: Advertised Proposals
Docket Item No. 1
(Resolution No. 21-04-014)

Comments were received on Advertised Proposal, Docket Item No. 1, from April Rolen-Ogden, Kenneth Klemm and Taylor Townsend.

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. Michaud-Dugas, seconded by Mr. Watkins, the Board Members went into Executive Session at 11:24 a.m.

Upon motion of Mr. Arnold, seconded by Mr. Harris, the Board reconvened in open session at 12:00 p.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion of the Palm Energy Offshore, LLC field audit

Upon motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, 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. 21-04-015)**

- b. A discussion of possible settlement with Hilcorp Energy I, L.P. regarding State Lease Nos. 21988 & 21989

Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, the Board granted authority to Staff and the Attorney General's office to negotiate and settle as discussed in Executive Session. No comments were made by the public. **(Resolution No. 21-04-016)**

- c. Discussion of Castex Energy Inc. request for an operating agreement on former State Lease No. 21903 and terms

Upon motion of Mr. Arnold, seconded by Mr. Harris, 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. 21-04-017)**

- d. A discussion of and authority to negotiate on proposed operating agreements between Capiro Sequestration, LLC, the State of Louisiana, and the Department of Wildlife & Fisheries for proposed carbon sequestration projects in Ascension, Assumption, Iberville, Jefferson, Livingston, St. Charles, St. James, St. John the Baptist, St. Martin, and Tangipahoa Parishes, Louisiana

Upon motion of Mr. Arnold, seconded by Mr. Watkins, 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. 21-04-018)**

- e. A discussion of and authority to negotiate on proposed operating agreements between Air Products, the State of Louisiana, and the Department of Wildlife & Fisheries for proposed carbon sequestration projects in Ascension, Cameron, Jefferson, Livingston, St. Charles, St. James, St. John the Baptist and Tangipahoa Parishes, Louisiana

Upon motion of Ms. Michaud-Dugas, seconded by Mr. Hollenshead, 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. 21-04-019)**

- f. 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.

Mr. Talbot stated that seventeen (17) tracts were up for bid, eight (8) bids were received on eight (8) of the tracts.

A motion was made by Mr. Watkins, and seconded by Mr. Arnold, with Ms. Michaud-Dugas and Mr. Hollenshead recusing themselves, to accept Staff's recommendations to accept the all eight (8) bids received and to award leases on the following tracts:

Tract 45408

(Portion: 85.670 acres)

Bidder	:	CYPRESS ENERGY CORPORATION
Primary Term	:	Five (5) years
Cash Payment	:	\$32,554.60
Annual Rental	:	\$16,277.30
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45409

(Portion: 216.826 acres)

Bidder	:	ALLEN & KIRMSE, LTD.
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Additional Consideration	:	None

Tract 45412

(Portion: 1,532.68 acres)

Bidder	:	HILCORP ENERGY I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$337,189.60
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Royalties	:	21.25% on oil and gas
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Additional Consideration	:	None

Tract 45415

(Entire: 511 acres)

Bidder	:	ENSIGHT IV ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$984,952.50
Annual Rental	:	\$492,476.25
Royalties	:	23.25% on oil and gas
	:	23.25% on other minerals
Additional Consideration	:	None

Tract 45416

(Entire: 11.014 acres)

Bidder	:	MADOLE LAND SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$16, 521.00
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Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45417

(Entire: 155.910 acres)

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Primary Term	:	Three (3) years
Cash Payment	:	\$233,865.00
Annual Rental	:	\$116,932.50
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45418
(Entire: 1.419 acres)

Bidder	:	BRIX OPERATING LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$1,419.00
Annual Rental	:	\$709.50
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45420
(Portion: 27.340 acres)

Bidder	:	CYPRESS ENERGY CORPORATION
Primary Term	:	Three (3) years
Cash Payment	:	\$10,389.20
Annual Rental	:	\$5,194.60
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:

- a. The Board requested that a Special Meeting be held on Tuesday, May 11, 2021 for a presentation by DNR Staff and interested companies regarding agreements to sequester carbon dioxide beneath State owned lands and water bottoms and lands owned and managed by the Department of Wildlife and Fisheries.
- b. The Board further requested that both the Special Meeting to be held on May 11, 2021 and the Regular Meeting to be held on May 12, 2021 be held in person and not through Zoom.

IX. ANNOUNCEMENTS

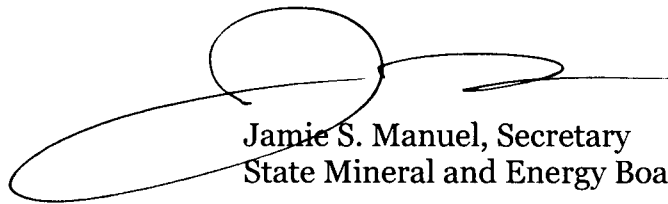
Mr. Manuel stated that the leases awarded totaled \$1,660,256.10 for the April 14, 2021 Lease Sale bringing the fiscal year total to \$6,007,794.06.

Ms. LeBlanc, Vice-Chair, reminded the Board that Financial Disclosure Statements were due next month.

X. ADJOURNMENT

The Chairman then stated there being no further business to come before the Board, upon motion of Ms. Michaud-Dugas, seconded by Mr. Arnold, the meeting was adjourned at 12:08 a.m.

Respectfully Submitted,

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line that ends in a small flourish.

Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #21-04-001

(LEASE REVIEW REPORT)

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

WHEREAS, Mr. Charles Bradbury of the Office of Mineral Resources made a report on a request by S2 Energy Operating LLC for a three (3) month extension of Force Majeure condition for State Lease Nos. 192 and 1772 in Timbalier Bay Field, Lafourche Parish, Louisiana; and

WHEREAS, the Staff recommends that the State Mineral and Energy Board grant the Force Majeure extension until the July 14, 2021 Board Meeting to allow S2 Energy 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.

NOW THEREFORE BE IT RESOLVED, that the State Mineral and Energy Board hereby grants S2 Energy Operating LLC an extension of Force Majeure condition for State Lease Nos. 192 and 1772 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 the July 14, 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 14th day of April, 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

Authority to Advertise
Tracts for the June 9,
2021 Lease Sale

RESOLUTION #21-04-002

(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Byron Miller reported that ten (10) tract(s) were nominated for the June 9, 2021 Mineral Lease Sale, and requested that same be advertised pending staff review;

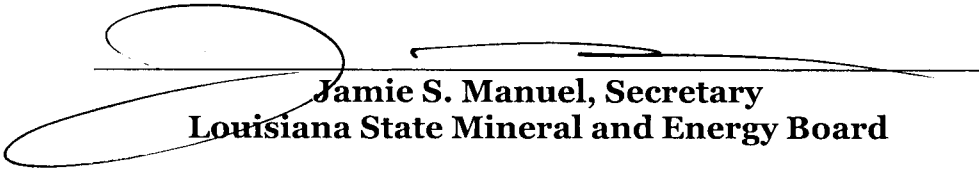
ON MOTION of Mr. Watkins, seconded by Ms. Michaud-Dugas, the following recommendation was offered and unanimously adopted by the Board after discussion and careful consideration:

That the State Mineral and Energy Board grant approval to advertise all such tract(s) for the June 9, 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 14th day of April 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 # 21-04-003 (AUDIT REPORT)

Smith Production Co. Re: Demand unpaid monthly oil royalties and outstanding late royalty penalty billings

WHEREAS, a request was made by Staff for the State Mineral and Energy Board to authorize the Attorney General's Office to place Smith Production Co. on demand for late payment of royalty, liquidated damage penalty, and reporting errors;

WHEREAS, the State Mineral and Energy Board caused a billing letter issuance to Smith Production Co. regarding late payments of royalty for the period of October 21, 2015 through August 22, 2018 under State Lease Nos. 5623, 18560, 18593, and 20610 in the Gillis-English Bayou, Jeanerette, and Little Cheniere fields and determined that Smith Production Co. owes the State some \$4,406.15 in penalties;

WHEREAS, the Staff of the Office of Mineral Resources has been unable to resolve and settle the outstanding penalty billings with Smith Production Co.; and

WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration, recommended that the foregoing request be approved by the State Mineral and Energy Board;

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 authorize the Attorney General's Office to place Smith Production Co., and any affiliated parties or parties associated with the leases, on demand.

BE IT FURTHER RESOLVED that the Attorney General's office is authorized to file suit for unpaid penalties should compliance with the demand request not be made within a reasonable time.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of April, 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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #21-04-004

Royalty Reduction
Program

(LEGAL & TITLE CONTROVERSY)

On motion of Mr. Watkins and seconded by Ms. Michaud-Dugas, the following Resolution was offered and adopted:

WHEREAS, pursuant to La. R.S. 30:129, the State Mineral and Energy Board ("Board") has full supervision of all mineral leases and is authorized to take all appropriate action to assure that all undeveloped or nonproducing state lands and water bottoms are reasonably and prudently explored, developed, and produced for the public good; and

WHEREAS, due to the decreased leasing and drilling activity within the State of Louisiana, the Board, pursuant to Resolution #19-07-007 dated July 10, 2019, created the temporary Royalty Reduction Program ("RRP") as incentive to encourage new development of future state leases; and

WHEREAS, in order to continue encouraging leasing and drilling activity within the State of Louisiana, the Board wishes to extend the RRP for an additional year so that the program will continue in existence through December of 2022; and

WHEREAS, additionally, there has been confusion from the State's lessees and potential lessees as to the application of the twenty-four (24) month period set forth in the first paragraph No. 2 in Resolution #19-07-007. The Board wishes to clarify that provision and to insure that it was and is the Board's intention that said twenty-four (24) month period is to begin running from the date of each individual state lease that is taken during the existence of the RRP; and

WHEREAS, the Board hereby deemed it to be in the best interest of the State to amend and restate Resolution #19-07-007.

NOW, THEREFORE, BE IT RESOLVED, the Board authorizes the Staff of the Office of Mineral Resources ("OMR") to extend and continue the existence of the RRP through December of 2022 and to clarify the application of the twenty-four (24) month period contained in the first paragraph No. 2 of the original Resolution #19-07-007.

RESOLVED FURTHER, Resolution #19-07-007 shall be amended and restated as follows:

1. The RRP will take effect on the date of the initial state lease issued and approved by the Board utilizing the revised 2019 state lease form and shall sunset and expire December 31, 2022. Upon the termination of the RRP, all prior approved temporary reduction in the royalty rate shall survive the termination of the RRP and shall remain in full force and effect in accordance with the requirements as set forth herein; and

2. The RRP, upon verification and approval as required herein, shall allow OMR to temporarily reduce the royalty rate by 5.5%, but in no case shall it be lower than 18.5%, on a state lease where production from the leased premises or lands pooled or unitized therewith is established pursuant to the terms thereof and is brought on line and sales thereof are commenced within twenty-four (24) months of the effective date of each state lease in question taken during the existence of the RRP. Said twenty-four (24) month period shall survive the termination of the RRP, so that as an example, a state lease with an effective date of November 2022 shall still have the full twenty-four (24) months even though the RRP will terminate in December 31, 2022; and

3. The reduced royalty shall be for a term not to exceed the first thirty-six (36) consecutive months from the first sales of production. There will be only one thirty-six (36) consecutive month period per state lease and a new or different period will not begin to run with the commencement of production from subsequent wells. However, for the single thirty-six (36) consecutive month period, the reduced royalty shall apply to any production obtained from the leased premises or lands pooled or unitized therewith, regardless of when said production comes on line or whether said production is obtained from an initial well or any subsequent wells; and

BE IT FURTHER RESOLVED, OMR shall develop and implement an application process for the RRP which shall comply with the following minimum requirements:

1. A lessee seeking approval for the reduced royalty must make a written request to the Office of Mineral Resources at 617 N. 3rd Street, LaSalle Building, 8th Floor, Baton Rouge, Louisiana 70802 or Post Office Box 2827, Baton Rouge, Louisiana 70821-2827. The application shall be considered received by OMR (i) upon receipt if delivered personally; or (ii) if properly addressed, upon deposit in the U.S. mail, registered or certified, postage prepaid, return receipt requested; or (iii) if properly addressed, upon deposit with a recognized commercial courier service; and

2. In order for production attributable to the state lease to be eligible for the reduced royalty, the application must further be received by OMR within ninety (90) days following commencement of production. There will be no qualifications, retroactive adjustments or credits for applications that are not received timely by OMR; and

3. The staff of OMR will review the application and implement the reduced royalty if the lessee's application demonstrates satisfaction of the requirements of the RRP as stated herein; and

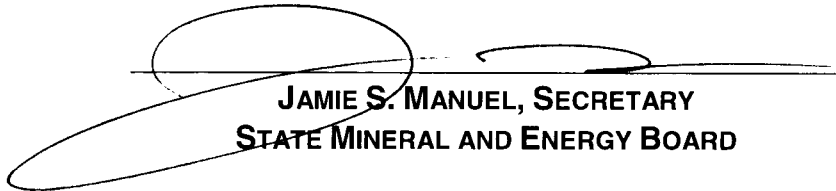
BE IT FURTHER RESOLVED, the Board does hereby grant OMR the authority to approve a lessee's application for a reduced royalty pursuant to the RRP.

BE IT FURTHER RESOLVED, the reduced royalty rates approved by the OMR shall be effective beginning the first payment of royalty which is due within one hundred twenty (120) days following commencement of production.

BE IT FURTHER RESOLVED, Resolution #19-07-007, as amended and restated herein, is effective as of July 10, 2019, the date first authorized by the Board.

CERTIFICATE

I hereby certify, that the above is a true and correct copy of a Resolution which was adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2021, pursuant to due notice, that at said 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 #21-04-005

(LEGAL & TITLE CONTROVERSY)

Alteration to Wellbore
Assignment Policy

On motion of Secretary Harris and seconded by Ms. Michaud-Dugas, the following Resolution was offered and adopted:

WHEREAS, Staff requested approval by the State Mineral and Energy Board (Board) of an alteration to the policy regarding Wellbore Assignments; and

WHEREAS, some reviews of state leases have indicated that royalty payments do not match the volume due to the assignment of interest in Wellbore Assignments to horizontal wells; and

WHEREAS, R.S. 30.128, Section C, states that “A transfer for purposes of this Section shall not be deemed to occur by the granting of a mortgage in, collateral assignment of production from, or other security interest in a mineral lease or sublease or the transfer of an overriding royalty interest, production, payment, net profits interest, or similar interest in a mineral lease or sublease.”; and

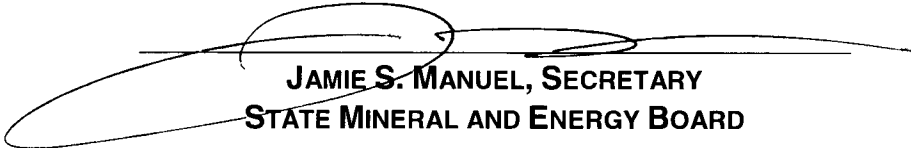
WHEREAS, Louisiana Administrative Code Title 43, Part 5, Section 503, Section C, states that “Any assignment must clearly show that a working interest in a state mineral lease is being transferred (no net revenue interest, override royalty, well bore interest, or other similar non-working interest transfer will be approved by the State Mineral Board).”

WHEREAS, Staff explained some Wellbore assignments do qualify as having a working interest in a state mineral lease and may come before the Board for approval.

NOW THEREFORE, BE IT RESOLVED, that the State Mineral and Energy Board hereby grants approval of Staff’s request for alteration of the policy regarding Wellbore Assignments as referenced above.

CERTIFICATE

I hereby certify, that the above is a true and correct copy of a Resolution which was adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2021, pursuant to due notice, that at said 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 #21-04-005

(LEGAL & TITLE CONTROVERSY)

Alteration to Wellbore
Assignment Policy

On motion of Secretary Harris and seconded by Ms. Michaud-Dugas, the following Resolution was offered and adopted:

WHEREAS, Staff requested approval by the State Mineral and Energy Board (Board) of an alteration to the policy regarding Wellbore Assignments; and

WHEREAS, some reviews of state leases have indicated that royalty payments do not match the volume due to the assignment of interest in Wellbore Assignments to horizontal wells; and

WHEREAS, R.S. 30.128, Section C, states that “A transfer for purposes of this Section shall not be deemed to occur by the granting of a mortgage in, collateral assignment of production from, or other security interest in a mineral lease or sublease or the transfer of an overriding royalty interest, production, payment, net profits interest, or similar interest in a mineral lease or sublease.”; and


WHEREAS, Louisiana Administrative Code Title 43, Part 5, Section 503, Section C, states that “Any assignment must clearly show that a working interest in a state mineral lease is being transferred (no net revenue interest, override royalty, well bore interest, or other similar non-working interest transfer will be approved by the State Mineral Board).”

WHEREAS, Staff explained some Wellbore assignments do qualify as having a working interest in a state mineral lease and may come before the Board for approval.

NOW THEREFORE, BE IT RESOLVED, that the State Mineral and Energy Board hereby grants approval of Staff’s request for alteration of the policy regarding Wellbore Assignments as referenced above.

CERTIFICATE

I hereby certify, that the above is a true and correct copy of a Resolution which was adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2021, pursuant to due notice, that at said 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 #21-04-006

(LEGAL & TITLE CONTROVERSY)

Approval of
Advertisement for
Agreements to
Sequester Carbon
Dioxide

On motion of Ms. Michaud-Dugas and seconded by Mr. White, the following Resolution was offered and adopted:

WHEREAS, Staff requested approval to advertise a notice of discussions with interested parties regarding possible agreements to sequester carbon dioxide beneath State owned lands and water bottoms and lands owned and managed by the Department of Wildlife and Fisheries; and

WHEREAS, Staff recommended that the Board approve the request to advertise the above referenced notice.

NOW THEREFORE, BE IT RESOLVED, that the State Mineral and Energy Board hereby grants approval for OMR Staff to advertise a notice of discussions with interested parties regarding possible agreements to sequester carbon dioxide beneath State owned lands and water bottoms and lands owned and managed by the Department of Wildlife and Fisheries.

CERTIFICATE

I hereby certify, that the above is a true and correct copy of a Resolution which was adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2021, pursuant to due notice, that at said 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 #21-04-007

(LEGAL & TITLE CONTROVERSY)

BPX Energy Inc. Late
Upfront Consideration
Payment for Operating
Agreement A0390

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

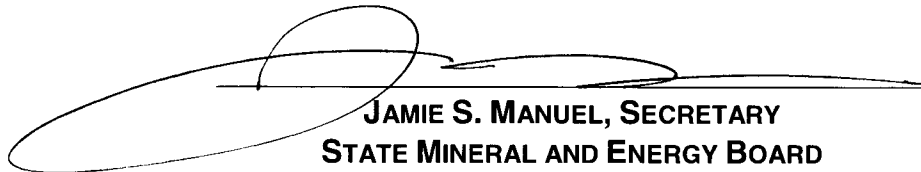
WHEREAS, Staff received a late Upfront Consideration payment from BPX Energy Inc. for Operating Agreement A0390 approved at the March 10, 2021 State Mineral and Energy Board Meeting; and

WHEREAS, Staff recommended that the Board approve the receipt of the late Upfront Consideration payment for Operating Agreement A0390.

NOW THEREFORE, BE IT RESOLVED, that the State Mineral and Energy Board hereby grants approval to BPX Energy Inc. of a late Upfront Consideration payment for Operating Agreement A0390 as listed above.

CERTIFICATE

I hereby certify, that the above is a true and correct copy of a Resolution which was adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of April, 2021, pursuant to due notice, that at said 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 #21-004-008

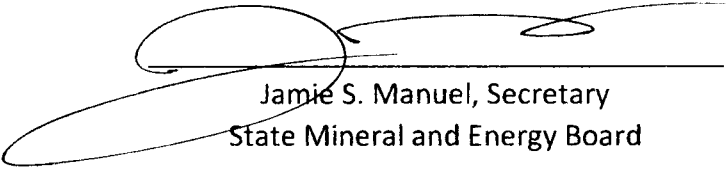
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the April 14, 2021 meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Plaquemines Parish Government, dated July 16, 2020, awarded to Hilcorp Energy I, L.P., covering lands located in a portion of Section 1, T21S, R26E, situated in the North Half of the Northwest Quarter, containing 34 acres, more or less, Plaquemines Parish, Louisiana, with further contractual obligations being more enumerated 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 14th day of April, 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 #21-004-009

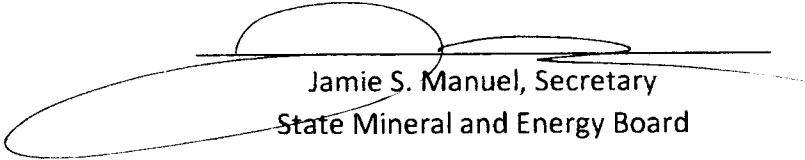
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item B from the April 14, 2021 meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Vermilion Parish School Board, dated March 10, 2021 awarded to Reliant Land Services, L.L.C., covering lands located in Northeast Quarter of Section 20, Township 12 South, Range 2 East, Vermilion Parish, Louisiana, containing 40.85 acres, more or less, with further contractual obligations being more enumerated 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 14th day of April, 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 #21-004-010

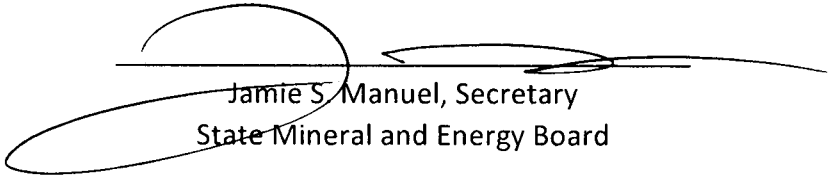
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item C from the April 14, 2021 meeting be approved, said instrument an Oil, Gas and Mineral Lease from the Vermilion Parish School Board, dated March 10, 2021, awarded to Cenco, Inc., covering lands located in all that part of the North Half of Section 16, Township 12 South, Range 2 East, Vermilion Parish, Louisiana, LESS AND EXCEPT the surface acreage outside the CAM 1 RI SUA, containing 166.97 acres, more or less, with further contractual obligations being more enumerated 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 14th day of April, 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 #21-04-011

(DOCKET)

On motion of Mr. Harris, 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 April 14, 2021 meeting be approved, said being an Assignment from Trinity Exploration and Production, LLC to Hilcorp Energy I, L.P, of all of Assignor's right, title and interest in and to State Lease No. 21724, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

Hilcorp Enregy I, LP is designated as the joint account Lessee (contact company) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

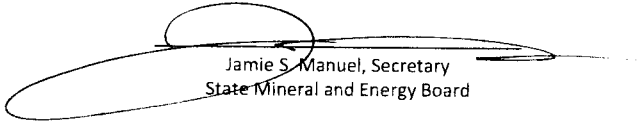
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 14th day of April, 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 #21-01-012

(DOCKET)

On motion of Mr. Harris, 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 April 14, 2021 meeting be approved, said being an Assignment from Talos Third Coast LLC to Castex E&P, LLC, of all of Assignor's right, title and interest in and to State Lease No. 21903, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Castex E&P, 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;

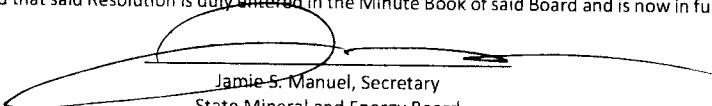
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 14th day of April, 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 #21-01-013 (DOCKET)

On motion of Mr. Harris, 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. 3 from the April 14, 2021 meeting be approved, said being an Assignment from Palmer Petroleum, L.L.C. to South Hole Exploration, L.L.C., of all of Assignor's right, title and interest in and to State Lease No. 9600, Red River Parish, Louisiana, with further particulars being stipulated in the instrument.

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

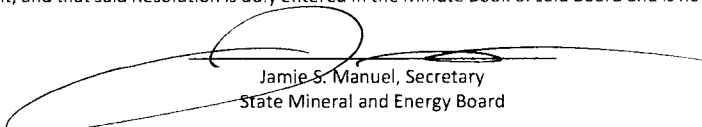
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 14th day of April, 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 #21-004-014

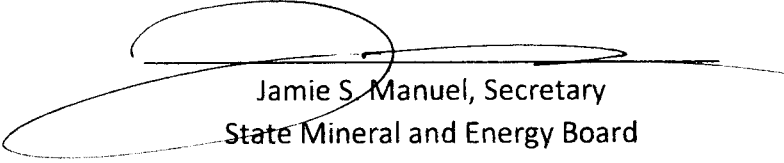
(DOCKET)

On motion of **Mr. Harris**, 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. 21-08 from the April 14, 2021 meeting be approved, said instrument being A Settlement Agreement by and between the State of Louisiana, acting through its agency, the Louisiana State Mineral and Energy Board and Edgar Cason, et al, regarding the matter *BHP Billiton Petroleum Properties NA L.P, et al v. Joe Brunson Butler, et al.*, Civil Docket No. 150625, 26th Judicial Court, Bossier Parish, Louisiana, affecting State Lease Nos. 19764 and 19765, 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 14th day of April, 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: Palm Energy Offshore, LLC
Field Audit

RESOLUTION # 21-04-015

(EXECUTIVE SESSION)

WHEREAS, a discussion of the Palm Energy Offshore, LLC field audit was held in Executive Session;

ON MOTION of Ms. Michaud-Dugas, seconded by Mr. Watkins, 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 14th day of April, 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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Hilcorp Energy I, L.P.
State Lease #s 21988 & 21989

RESOLUTION # 21-04-016

(EXECUTIVE SESSION)

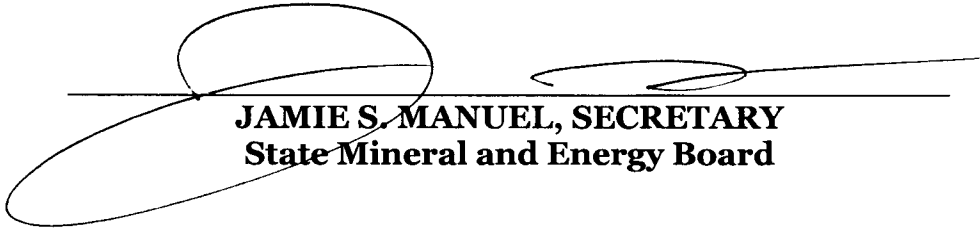
WHEREAS, a discussion of possible settlement with Hilcorp Energy I, L.P. regarding State Lease Nos. 21988 & 21989 was held in Executive Session;

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 and settle 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 14th day of April, 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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Castex Energy Inc.'s
Request for Operating
Agreement (former SL# 21903)

RESOLUTION # 21-04-017

(EXECUTIVE SESSION)

WHEREAS, a discussion of Castex Energy Inc.'s request for an operating agreement on former State Lease No. 21903 and terms was held in Executive Session;

ON MOTION of Mr. Arnold, seconded by Mr. Harris, 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 14th day of April, 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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Capio Sequestration, LLC
Proposed Operating
Agreements

RESOLUTION # 21-04-018

(EXECUTIVE SESSION)

WHEREAS, a discussion of and request for authority to negotiate on proposed operating agreements between Capio Sequestration, LLC, the State of Louisiana, and the Department of Wildlife & Fisheries for proposed carbon sequestration projects in Ascension, Assumption, Iberville, Jefferson, Livingston, St. Charles, St. James, St. John the Baptist, St. Martin, and Tangipahoa Parishes, Louisiana was held in Executive Session;

ON MOTION of Mr. Arnold, seconded by Mr. Watkins, 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 14th day of April, 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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Air Products

RESOLUTION # 21-04-019

(EXECUTIVE SESSION)

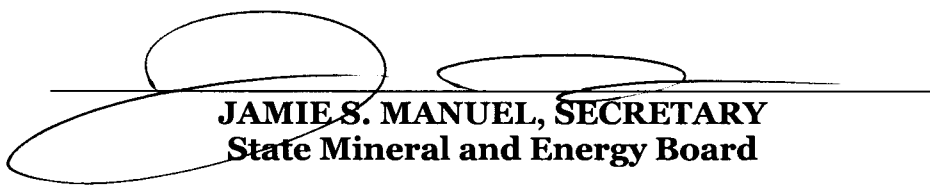
WHEREAS, a discussion of and authority to negotiate on proposed operating agreements between Air Products, the State of Louisiana, and the Department of Wildlife & Fisheries for proposed carbon sequestration projects in Ascension, Cameron, Jefferson, Livingston, St. Charles, St. James, St. John the Baptist and Tangipahoa Parishes, Louisiana was held in Executive Session;

ON MOTION of Ms. Michaud-Dugas, seconded by Mr. Hollenshead, 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 14th day of April, 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