

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE AND BOARD MEETING

December 12, 2018

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

December 12, 2018

A public meeting for the purpose of opening sealed bids was held on Wednesday, December 12, 2018, beginning at 8:30 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Recorded as present were:

Jamie Manuel – Assistant Secretary of the Office of Mineral Resources

Rachel Newman – Director, Mineral Income Division

Byron Miller – Administrator, Geology, Engineering & Land Division

Jason Talbot – Geology Supervisor, Geology, Engineering & Land Division

Emile Fontenot – Director, Petroleum Lands

Mr. Manuel presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of Tract Nos. 45023 through 45059 which were published for lease by the Board at today's sale.

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

Mr. Manuel stated that there were no tracts to be withdrawn from today's Lease Sale.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. Emile Fontenot:

Tract 45023 (1)
(Portion Bid: 393.9 acres)

Bidder	:	Krewe Energy, LLC
Primary Term	:	Five (5) years
Cash Payment	:	\$80,749.50
Annual Rental	:	\$40,374.75
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 45023 (2)
(Portion Bid: 50.14 acres)

Bidder	:	Krewe Energy, LLC
Primary Term	:	Five (5) years
Cash Payment	:	\$10,278.70
Annual Rental	:	\$5,139.35
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 45023 (3)
(Portion Bid: 295.8 acres)

Bidder	:	Helis Oil & Gas Company, L.L.C.
Primary Term	:	Five (5) years
Cash Payment	:	\$81,640.80
Annual Rental	:	\$40,820.40
Royalties	:	23% on oil and gas
	:	23% on other minerals
Additional Consideration	:	None

Tract 45024
(Portion Bid: 45.45 acres)

Bidder	:	Helis Oil & Gas Company, L.L.C.
Primary Term	:	Five (5) years
Cash Payment	:	\$12,544.20
Annual Rental	:	\$6,272.10
Royalties	:	23% on oil and gas
	:	23% on other minerals
Additional Consideration	:	None

Tract 45025 (1)
(Portion Bid: 174.82 acres)

Bidder	:	Krewe Energy, LLC
Primary Term	:	Five (5) years
Cash Payment	:	\$35,838.10
Annual Rental	:	\$17,919.05
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 45025 (2)
(Portion Bid: 38.64 acres)

Bidder	:	Krewe Energy, LLC
Primary Term	:	Five (5) years
Cash Payment	:	\$7,921.20
Annual Rental	:	\$3,960.60
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 45027

Bidder	:	Mammoth Minerals, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$143,420.00
Annual Rental	:	\$71,710.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45028

Bidder	:	Mammoth Minerals, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$318,150.00
Annual Rental	:	\$159,075.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45029

Bidder	:	ConocoPhillips Company
Primary Term	:	Three (3) years
Cash Payment	:	\$28,712.00
Annual Rental	:	\$14,356.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45030

Bidder	:	ConocoPhillips Company
Primary Term	:	Three (3) years
Cash Payment	:	\$78,376.00
Annual Rental	:	\$39,188.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45034(1)
(Portion Bid: 39 acres)

Bidder	:	TP Panther Dome, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$5,850.00
Annual Rental	:	\$2,925.00
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

Tract 45034(2)
(Portion Bid: 128 acres)

Bidder	:	TP Panther Dome, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$6,400.00
Annual Rental	:	\$3,200.00
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

Tract 45036
(Portion Bid: 86.32 acres)

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$19,853.60
Annual Rental	:	\$9,926.80
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

Tract 45041
(Portion: 55.1 acres)

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$11,295.50
Annual Rental	:	\$5,647.75
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

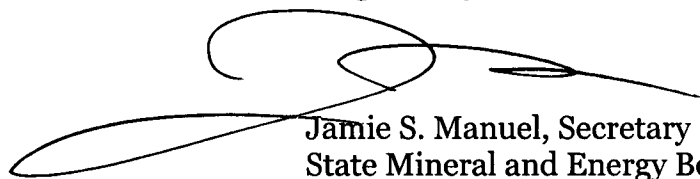
Tract 45049

Bidder	:	Krewe Energy, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$10,725.00
Annual Rental	:	\$5,362.50
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

There being no further business, the meeting was concluded at 8:51 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
December 12, 2018

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, December 12, 2018**, beginning at 9:30 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

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
Rochelle A. Michaud-Dugas
J. Todd Hollenshead
Theodore M. "Ted" Haik, Jr.
Emile B. Cordaro

The following members of the Board were recorded as absent:

Kyle "Chip" Kline, Jr.
Thomas L. Arnold, Jr.
Byron L. Lee
Robert D. Watkins

Mr. Manuel announced that seven (7) members of the Board were present and that a quorum was established.

Also recorded as present were:

Stacey Talley – Business Analytics Specialist, Office of Mineral Resources
Ryan Seidemann - Assistant Attorney General
Christopher Lento - Assistant Attorney General
William Iturralde – Attorney, Office of Mineral Resources
Rachel Newman - Director, Mineral Income Division
Taletha Shorter – Audit Manager, Mineral Income Division
Byron Miller – Administrator, Geology, Engineering & Land Division
Jason Talbot – Geology Supervisor, Geology, Engineering & Land Division
Charles Bradbury – Engineering Supervisor, Geology, Engineering & Land Division
Emile Fontenot – Petroleum Lands Director, Geology, Engineering & Land Division
Blake Canfield – Executive Counsel, Department of Natural Resources
James Devitt - Deputy General Counsel, Department of Natural Resources

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 NOVEMBER 14, 2018 MINUTES

The Chairman stated that the first order of business was the approval of the November 14, 2018 Minutes. A motion was made by Mr. Harris to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Ms. Michaud-Dugas and unanimously adopted by the Board. (No public comment was made at this time.)

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

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

VI. STAFF REPORTS

- a) Lease Review Report
(Resolution No(s). 18-12-001 thru 18-12-003)
- b) Nomination and Tract Report
(Resolution No(s). 18-12-004)
- c) Audit Report
- d) Legal and Title Controversy Report
- e) Docket Review Report
(Resolution No(s). 18-12-005 through 18-12-012)

**a) LEASE REVIEW REPORT
December 12, 2018**

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there were 1,167 active State Leases containing approximately 505,962 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 102 leases covering approximately 52,574 acres for lease maintenance and development issues.

II. BOARD REVIEW

1. A staff report on State Lease 14589, Lake Raccourci Field, Lafourche Parish. Exxon Mobil Corporation is the lessee. Upon motion of Mr. Harris, seconded by Mr. Cordaro, the Board accepted the staff's recommendation that Exxon Mobil Corporation be placed on demand to release 50% of the nonproductive acreage and if said release is not received by March 13, 2019, the staff has authority to file for a Commissioner's unit over the State Lease 14589 No. 2 well.
2. A staff report on State Lease 173, Caddo Pine Island, Caddo Parish, and an appearance by Gemini Explorations, Inc. (the primary lessee). After the presentation by Jason Talbot of Geological and Engineering Staff, and the appearance by Gemini Explorations, Inc. staff and by APV Caddo Pine Island, Mr. Hollenshead made a motion to place this item on the list of items to be discussed in Executive Session. His motion was seconded by Ms. LeBlanc and a Board roll call vote was unanimous in adding the item to the Executive Session. Upon motion of Mr. Hollenshead, seconded by Ms. LeBlanc, the Board went into Executive Session to discuss State Lease 173. Upon motion of Mr. Harris, seconded by Mr. Hollenshead, the Board reconvened in open session. Mr. Harris made a motion to accept staff's recommendations, and the motion was seconded by Ms. Michaud-Dugas. At that time, Mr. Hollenshead made a substitute motion to deny the staff recommendations but rather allow Gemini Explorations, Inc. one (1) year from this date to continue to plug and abandon wells on State Lease 173 and to re-evaluate State Lease 173 at the end of the year's time. Mr. Harris responded Nay, all other Board members responded Aye.

III. FORCE MAJEURE

1. Kepco Operating Inc. requested recognition of a force majeure condition affecting State Lease 18951, La Salle Parish. Upon motion of Mr. Haik, seconded by Mr. Hollenshead, the Board confirmed the Staff's recognition of the force majeure condition affecting State Lease 18951, La Salle Parish.

b) NOMINATION AND TRACT REPORT
December 12, 2018

The Board heard the report of Mr. Emile Fontenot on Wednesday December 12, 2018 relative to nominations received in the Office of Mineral Resources for the February 13, 2019 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Haik**, duly seconded by **Ms. Michaud-Dugas**, the Board granted authority to the staff to advertise all such tracts as 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 18-12-004)

c) AUDIT REPORT
December 12, 2018

The first matter considered by the Board was the election of the December 2018 gas royalty to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

**d) LEGAL & TITLE REPORT
December 12, 2018**

The first matter was a report to the State Mineral and Energy Board (Board) presented by Blake Canfield, DNR Executive Counsel, on the total number of bankruptcy audits and money due/collected in the last decade and a discussion of Resolution No. 18-09-005

This matter was for discussion only and there was no action necessary. There were no comments from the public.

The second matter was a discussion of schedule for voting on and approving OMR Staff's Proposed New Lease Form.

Assistant Secretary Jamie Manuel reported that he had finished going through all of the remaining articles in the lease form and had made a couple of changes. He continued that most of the articles that he went through were fine. A meeting will be scheduled within the next week with staff to review all of the articles. Afterwards, Suzanne Hyatt will review the document to ensure that all of the words coincide with each other and the references. Assistant Secretary Manuel stated that he and staff hoped to have a complete document for release to the public for review by the January Board Meeting.

Mr. Ted Haik thanked Assistant Secretary Manuel and asked if the time table for the lease form had been thought through because he did not think it could be reviewed in a public meeting. He continued that the Board had done it before by taking certain articles of the lease; we debated those articles; we had the public give certain input on those articles; and then we came to some kind of conclusion of the articles. Mr. Haik asked Assistant Secretary Manuel if that was what he was anticipating.

Assistant Secretary Manuel answered that it was up to the Board Members but that was what he was envisioning – taking a certain amount of articles each month; that would give time for the Board, the public, and industry to make comment on it, and have a full discussion of it at the meeting.

Mr. Haik asked Assistant Secretary Manuel if, in the next thirty (30) days, after meeting with staff, there was a way he could give the Board an idea as to what kind of process.

Assistant Secretary Manuel replied that it will be the Board's decision.

Mr. Paul Segura added that once staff has all of the lease form together, a few of the Board Members could meet with staff to review the lease to understand the meaning of each provision and then, after that, open it up to the rest of the Board, kind of like a working group.

Assistant Secretary Manuel responded that he did not know if that could be done.

Ryan Seidemann, Assistant District Attorney, added that the open meetings law would limit this to some extent. He continued that if the members wanted to have copies of the draft emailed to them for advance reading and if they have individual questions for the staff on certain things, that can be done.

Mr. Segura stated that he was just trying to think of a way to get a small group to review the lease form to get an understanding and then to present it to the Board and the public. He stated that he was not suggesting acting on anything.

Mr. Seidemann answered that he understood that and continued that even forming a small group to review – even though there would be no actions taken – it would trigger the requirements of the open meetings law.

Assistant Secretary Manuel stated that he agreed with Mr. Seidemann and that the job of he and the staff are to give the Board Members their best recommendation. He continued that if he and his staff were to change their recommendation based on a meeting with just one (1) or two (2) members before it is presented to the whole Board, it does not give the whole Board the opportunity to review it as it is.

Mr. Haik asked Mr. Seidemann if he can direct some ideas that he may want to implement in the new lease to his office and ask that he assist him in drafting those ideas.

Mr. Seidemann replied that the relationship between the Attorney General's Office and the Board is that the Attorney General's Office are the legal representatives for the Board. Representatives of the Attorney General's Office cannot do individual work for specific members absent a motion by the Board but certainly if there is an approved motion by the Board for the Attorney General's Office to work on a particular provision, then yes.

Mr. Haik asked that if he needed to turn to whomever to assist with drafting language, then who does he turn to?

Mr. Seidemann asked Mr. Haik if he meant as an individual. Mr. Haik answered that he had some ideas that he may want to attempt to implement in the proposed lease. He continued that they may be different from Mr. Manuel's ideas or Mr. Harris' ideas, how would he do that?

Ms. Carol LeBlanc interjected that she thought that had been done before. She continued by asking if they had not been reviewing the new lease for the past three (3) or five (5) years?

Mr. Seidemann answered Mr. Haik by stating that he knew that they had some offline discussions about this. He continued that the Attorney General's Office actually analyzed this question of whether the Attorney General's Office could, on request of

individual members, do drafting of portions basically as proposed revisions or rebuttals to the existing proposed draft when it comes out and the conclusion was only on resolution of the Board. The Board would have to resolve for the Attorney General's Office to re-examine a particular provision in light of the Board's questions or concerns. The Attorney General's Office cannot do it simply at the request of a particular member because effectively what it does is it puts the Attorney General's Office, as counsel for the Board, statutorily, in a potential conflict if the request is contrary to what the Board as a whole is considered.

Mr. Haik acknowledged that he understood that but asked if that was necessary if he asked for a specific individual from the staff to assist the Board in any type of suggestive change.

Mr. Seidemann responded that the staff are not legal counsel to the Board; they are the staff for the Board so it is legally, and ethically from a legal perspective that is different.

Mr. Haik asked if he had the authority to ask any member of the staff to assist without a motion.

Mr. Seidemann responded that he has not researched that and does not have an answer to that question.

Assistant Secretary Manuel interjected that he thought the staff takes direction from the Board and, as a courtesy, the staff complies with the Board's request, but the staff responds to resolutions by the Board on the actions taken. Assistant Secretary Manuel continued that this was staff's recommendations, not his; that most of the language used had already been written by the staff.

Mr. Haik acknowledged that it was staff's recommendation and asked if he could turn to another staff member and ask them to write for him a clause dealing with royalty different than what the staff already did.

Assistant Secretary Manuel answered Mr. Haik that he thought the way it would come up is that at the meeting, Mr. Haik would say he disagreed with the royalty provision as it is written and would make a motion for staff to write it a certain way and if the whole Board votes for the article as recommended, then that would be the end of the story. He continued that if the Board did not approve it through the motion that you would make to have staff to come up with different language than that is what staff would do. That would be the only way that would happen.

Mr. Haik stated that would place him or any other member of the Board in a situation that they would not be prepared to offer a change to a proposed article until such time as there is a general discussion about that particular article. He continued that if were going to do that, it would be more beneficial if he knew ahead of time what he was going to propose. Mr. Haik stated that in the context of, for instance, the time he spent

in the legislature, when he had an opportunity to amend a bill and he turned to the staff attorney of the committee before discussion of the bill came up and he asked that attorney to please prepare an amendment to that bill so that when the bill was being discussed, he could offer that amendment to the committee.

Mr. Seidemann stated that the charge of the staff attorneys to the legislature is, and their obligations substantially differ from the Attorney General's Office to the Board...

Mr. Haik interjected that he was not talking about the Attorney General's Office.

Chairman Segura asked how you fashion input into the lease.

Assistant Secretary Manuel answered that whenever it is brought up for discussion....

Mr. Haik stated that he might want to do it ahead of time. He continued that for instance, he had read all of the suggestions; he agreed with some, he disagreed with others – the staff's recommendations that have been forwarded to the Board presently. He stated that he had read and he had certain suggestions and he did not want to wait until such time as the Board and staff debate each article and then ask for a change; he wants to be prepared at the time of the discussion of that particular article to offer an amendment to that article. He continued that's the way it is done in the legislature.

Mr. Seidemann stated that he thought that in that regard, you then are putting a similar burden back onto the other members of the Board to act immediately on that proposed amendment –

Mr. Haik interjected unless he supplied it to everyone....

Assistant Secretary Manuel stated that he guessed what would end up happening, and he did not think that was legally possible, but what would happen is that you would be asking staff, who have made a recommendation, to also draft a whole separate lease at your direction and expend the state's time and energy without actual motion of the Board telling them to do so and he did not think, legally, staff can do that.

Mr. Seidemann stated that he believed that was correct, and the only thing he would like to add to that was to not to try to drag out the process of amending the lease. He continued that he cannot remember how many years this has been ongoing but it has been ongoing for some time and the point he was trying to make is that if there is alternative language and if the Board agrees to direct the Attorney General's Office or the staff to make a proposed amendment, has anything been done to upset the process? In the many years that this has been going on, he continued, he did not think that a couple of months would make that big of a difference. Mr. Seidemann stated that that was just his practical observation.

Mr. Haik responded that the proposed lease had been debated for four or five years and it should have been completed by now, no questions about it.

Mr. Seidemann commented that it had been longer than that.

Mr. Haik stated that he did not know how the rest of the Board felt about that; that he did not know if they were going to be in a position to request any additional language to what had been proposed already; he said he knew he had some additional thoughts that he wants to bring forward that he thinks will bring them into compliance with some of the other states. He continued that he would like to make a motion at the present time that the Attorney General's Office be permitted to address any member of the Board's request to assist a Board member to draft alternative language to what is being proposed in the new lease by staff. He asked if that was appropriate.

Mr. Seidemann stated that he did not believe it is. He continued that as a practical question you are asking the Board to authorize any potential question that comes up about the lease form to be farmed out to the Attorney General's Office to draft a competing article to the existing staff proposal without having seen that form. He stated that he thought Mr. Haik was asking for a legal conflict that the Attorney General's Office cannot do. Mr. Seidemann said that he thought it had to be on an individual by individual article basis; he did not think it could be a blanket thing.

Mr. Haik thanked Mr. Seidemann and stated that he will probably make that motion at the next meeting – make it specific to certain articles.

Chairman Segura added to let the staff lay out what their plan is and then we can just see.

This matter was for discussion only and there was no action necessary. There were no comments from the public.

**e) DOCKET REVIEW REPORT
December 12, 2018**

The Board heard the report from Emile Fontenot on Wednesday, December 12, 2018, 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 8.

Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category

Category D: Advertised Proposals
There were no items for this category

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

Category B: State Lease Transfers
Approve Docket Item Nos. 1 through 8
(Resolution Nos. 18-12-005 through 18-12-012)

VII. EXECUTIVE SESSION
(Resolution No(s). 18-12-013 thru 18-12-014)

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 Mr. Cordaro, seconded by Ms. Michaud-Dugas, the Board Members went into Executive Session at 12:21 p.m.

Upon motion of Ms. LeBlanc, seconded by Ms. Michaud-Dugas, the Board reconvened in open session at 12:40 p.m. for consideration of the following matters discussed in Executive Session:

A discussion and request for authority regarding termination of State Lease No. 3090 in Lafourche and Terrebonne Parishes. This lease is operated by Hilcorp Energy Company.

Upon motion of Ms. Michaud-Dugas, seconded by Mr. Harris, the Board voted unanimously to grant Staff the authority to terminate State Lease No. 3090 operated by Hilcorp Energy Company in Lafourche and Terrebonne Parishes, Louisiana pursuant to the discussion in Executive Session. No comments were made by the public. (Resolution No. 18-12-013)

A discussion of settlement in the matter entitled: Huckabay Property Management, L.L.C. and Pugh T. Huckabay, Jr. v. State of Louisiana, Docket No. 35821, 39th Judicial District Court, Red River Parish

Upon motion of Ms. LeBlanc, seconded by Mr. Hollenshead, the Board voted unanimously to ratify the previous approval of settlement terms involving Tracts 1, 2, & 3 to include settlement of Tracts 4 & 5 pursuant to the discussion in Executive Session. No comments were made by the public. (Resolution No. 18-12-014)

A status update regarding settlement of outstanding audit issues with ChevronTexaco, Texaco E&P Inc. and Unocal

This matter was a discussion which required no action by the Board.

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

VIII. AWARDING OF LEASES

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

Upon motion by Mr. Harris, seconded by Ms. Michaud-Dugas, the Board unanimously voted to accept Staff's recommendations as follows:

1. Award a lease on a portion (50.14 acres) of Tract No. 45023 to Krewe Energy, LLC
2. Award a lease on a portion (295.80 acres) of Tract No. 45023 to Helis Oil & Gas Company, L.L.C.
3. Offer an option on a portion (206.47 acres) of Tract No. 45023 to Krewe Energy, LLC
4. Award a lease on a portion of Tract No. 45024 to Helis Oil & Gas Company, L.L.C.
5. Award a lease on a portion (174.82 acres) of Tract No. 45025 to Krewe Energy, LLC
6. Award a lease on a portion (38.64 acres) of Tract No. 45025 to Krewe Energy, LLC
7. Award a lease on Tract No. 45027 to Mammoth Minerals, LLC
8. Award a lease on Tract No. 45028 to Mammoth Minerals, LLC
9. Award a lease on Tract No. 45029 to ConocoPhillips Company
10. Award a lease on Tract No. 45030 to ConocoPhillips Company
11. Award a lease on a portion (39 acres) of Tract No. 45034 to TP Panther Dome, LLC
12. Reject the bid on a portion (128 acres) of Tract No. 45034 to TP Panther Dome, LLC for insufficient consideration
13. Award a lease on a portion of Tract No. 45036 to Cypress Energy Corporation
14. Award a lease on a portion of Tract No. 45041 to Cypress Energy Corporation
15. Award a lease on Tract No. 45049 to Krewe Energy, LLC

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

This concluded the awarding of the leases.

IX. NEW BUSINESS

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

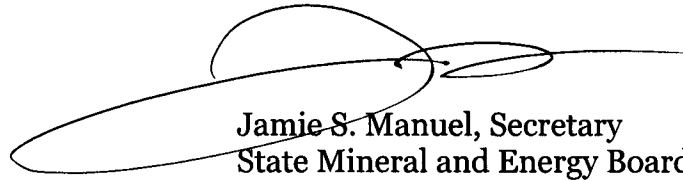
X. ANNOUNCEMENTS

Mr. Manuel stated that the leases awarded totaled \$764,605.10 for the December 12, 2018 Lease Sale bringing the fiscal year total to \$7,860,864.57 (not including an option offered).

XI. ADJOURNMENT

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Harris, seconded by Ms. Michaud-Dugas, the meeting was adjourned at 12:46 p.m.

Respectfully Submitted,

A handwritten signature in black ink, consisting of several overlapping loops 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 #18-12-001
(LEASE REVIEW)**

On motion of Mr. Haik, seconded by Mr. Hollenshead, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board (SMEB):

WHEREAS, Mr. Bradbury of the Office of Mineral Resources made a report of a timely force majeure request by Kepco Operating Inc. ("Kepco") affecting State Lease 18951 in Catahoula Lake Field, La Salle Parish, Louisiana; and,

WHEREAS, on November 18, 2018, Kepco reported that due to flood waters from Little River and Black River overflowing at the Archie Lochs making nearby roads unpassable and preventing access to the boat landing and wells; and,

WHEREAS, in accordance with and under authority granted by the 2005 Mineral and Energy Board Policy, Mr. Bradbury recognized the period of force majeure event of Kepco began November 18, 2018 and will continue until flood waters subside permitting Kepco access to the well location to restore production, whichever is earlier; and,

WHEREAS, Mr. Bradbury requests that the Mineral and Energy Board confirm the actions of the Office of Mineral Resources concerning this force majeure condition; and,

NOW THEREFORE BE IT RESOLVED, the State Mineral and Energy Board confirms the Office of Mineral Resources' recognition of the force majeure event affecting State Lease 18951 for the period beginning November 18, 2018 or until floodwaters subside permitting Kepco Operating Inc. to access the well location to re-establish production, whichever is earlier. The Board shall further require that Kepco Operating Inc. submit monthly status reports due no later than the first (1st) of each month, until the work is complete or production in paying quantities is restored. Finally, the Board reserves its rights to rescind this force majeure recognition at any time.

CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on December 12, 2018, 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
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #12-18-002
(LEASE REVIEW)**

On motion of Mr. Harris, seconded by Mr. Cordaro, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board (SMEB):

WHEREAS, the Board last reviewed State Lease 14589 along with several other leases, in the Lake Raccourci Field (southern portion), on May 11, 2016, whereby the State Energy and Mineral Board (SMEB) recommended that Exxon Mobil Corporation (Exxon) be granted until June 1, 2016 to submit their partial release proposal involving several leases to the Office of Mineral Resources staff for review; and

WHEREAS, Exxon by letter dated June 1, 2016 identified and proposed acreage to be released affecting only State Leases 1450, 1451, and 1480 and requested that they be granted sufficient time to prepare and execute the partial release; and

WHEREAS, the Board reviewed and accepted the partial release proposal on July 13, 2016 and granted Exxon until October 1, 2016 to prepare and execute the partial release; and

WHEREAS, Staff notified Exxon by letter on June 5, 2018, concerning State Lease 14589, that a new plan of development or release of acreage was required. Exxon's response was that the lease was held by production and that no release would be made. Staff spoke with Exxon and explained that both the language in the lease and mineral code requires development over the lease. Despite several attempts by phone to follow-up with Exxon, Exxon did not respond to the staff nor did Exxon submit a plan of development to the staff.

NOW THEREFORE BE IT RESOLVED that the State Mineral and Energy Board accepts staff recommendation that Exxon be placed on demand to release 50% of the nonproductive acreage and if release is not received by March 13, 2019, the staff has been given authority by the Board to file for a Commissioner's unit over the State Lease 14589 No. 2 well.

CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on December 12, 2018, 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
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-12-003 (LEASE REVIEW)

Upon motion of Mr. Hollenshead, seconded by Mr. Haik, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board (SMEB):

WHEREAS, the Board last reviewed State Lease 173, Caddo Pine Island Field, on April 11, 2018, whereby Gemini Explorations, Inc. (Gemini) and APV Caddo Pine Island, LLC (APV) made an appearance before the Board to discuss the staff efforts in requiring new development over the lease or release of acreage; and,

WHEREAS, the Board's April 13, 2018 resolution allowed Gemini extra time to complete the results of a reservoir study and to report back at a later date to the Board; at which time there was to be a continued discussion to renegotiate a new rate of royalty affecting State Lease 173; and,


WHEREAS, a new presentation was made to the Board which showed both past and present activities over the lease by Gemini and APV, and why some acreage on the lease that is not being developed should be released; and

WHEREAS, Gemini and APV both presented information to the Board to explain why their company should be allowed more time.

NOW THEREFORE BE IT RESOLVED the State Mineral and Energy Board will allow Gemini one (1) year from today's date to continue plugging and abandoning of five more wells and the Board will re-evaluate status of State Lease 173 in one year.

CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on December 12, 2018, 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
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Authority to advertise
Tracts for February 13,
2019 Lease Sale

Resolution #18-12-004
(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Emile Fontenot reported that three (3) tracts were nominated for the February 13, 2019 Mineral Lease Sale, and requested that same be advertised pending staff review;

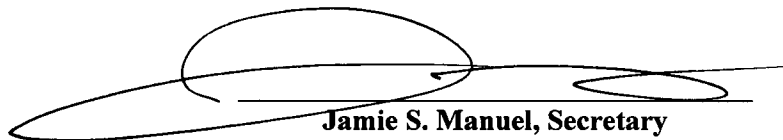
ON MOTION of *Mr. Haik*, seconded by *Ms. Michaud-Dugas*, the following recommendation was offered and unanimously adopted by the Board after discussion and careful consideration:

That the State Mineral and Energy Board grant approval to advertise all such tracts for the February 13, 2019 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 12th day of December 2018, 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 #18-012-005 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the December 12, 2018 meeting be approved, said instrument being an Assignment from McGinty-Durham, Inc. to Mammoth Minerals, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 21836 and 21837, Caddo Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30.128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;

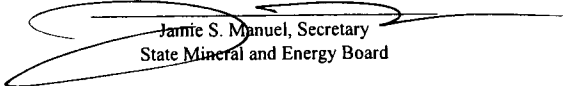
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of December, 2018, 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 #18-012-006

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 2 from the December 12, 2018 meeting be approved, said instrument being an Assignment from Alpine Exploration Companies, Inc. to Gulf Coast Western, LLC, of all of Assignor's right, title and interest in and to State Lease Nos 5259 and 7501, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

Gulf Coast Western, 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,

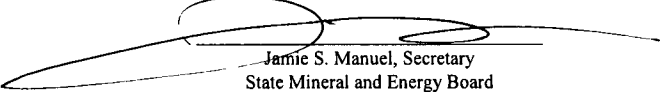
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 12th day of December, 2018, 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 #18-012-007

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 3 from the December 12, 2018 meeting be approved, said instrument being an Assignment from Meridian Resources (USA) Inc., an undivided 80% of Assignor's right, title and interest to the following in the proportions set out below.

Alpha Imperial Corp.	55%
NOLA Oil & Gas Ventures, LLC	25%

in and to State Lease No. 21844, Iberia and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument.

Alpha Imperial Corp. 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;

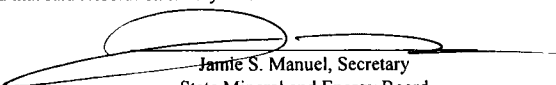
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 12th day of December, 2018, 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 #18-012-008

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the December 12, 2018 meeting be approved, said instrument being an Assignment from Blanchard & Associates Land Services, LLC to GEP Haynesville, LLC, of all of Assignor's right, title and interest in and to State Lease No. 21838, Bossier Parish, Louisiana, with further particulars being stipulated in the instrument.

GEP Haynesville, 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 12th day of December, 2018, 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 #18-012-009

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the December 12, 2018 meeting be approved, said instrument 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 No. 21845, Jefferson and Plaquemines Parishes, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

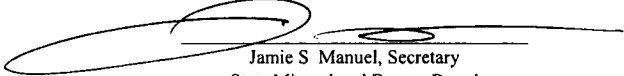
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12th day of December, 2018, 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 #18-012-010

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the December 12, 2018 meeting be approved, said instrument being an Assignment from Exxon Mobil Corporation to XTO Energy Inc., of all of Assignor's right, title and interest in and to State Lease No. 309, Ouachita Parish, Louisiana, with further particulars being stipulated in the instrument.

XTO Energy Inc. 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;

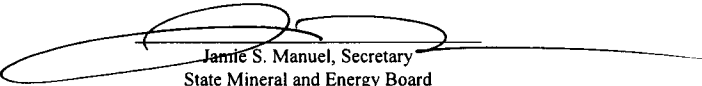
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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 12th day of December, 2018, 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

Approved as per Executive Order JBE 2016-28
John Bel Edwards, Governor

By. _____
W. Paul Segura, Jr.
Chairman, State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-012-011

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 7 from the December 12, 2018 meeting be approved, said instrument being an Assignment from Banff Energy, L.L.C to Southwind Oil & Gas LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 21805, 21806, 21807, 21808, 21809, 21810, 21811, 21812, 21813, 21814, 21815 and 21816, Avoyelles, Evangeline and Rapides Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

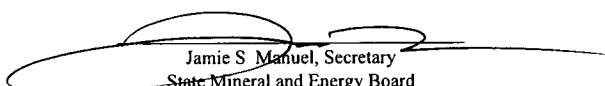
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows.

- 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 12th day of December, 2018, 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 #18-012-012

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 8 from the December 12, 2018 meeting be approved, said instrument being an Assignment from Denbury Onshore, LLC to TMR Exploration, Inc., of all of Assignor's right, title and interest in and to State Lease No 7729, Livingston Parish, Louisiana, with further particulars being stipulated in the instrument.

TMR Exploration, Inc. 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;

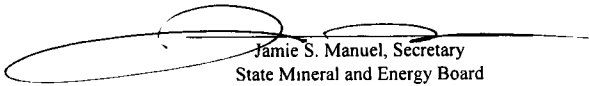
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 12th day of December, 2018, 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: Termination of State
Lease No. 3090

RESOLUTION # 18-12-013

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding Staff's request for authority to terminate State Lease No. 3090 which is operated by Hilcorp Energy Company in Lafourche and Terrebonne Parishes, Louisiana;

ON MOTION of Ms. Michaud-Dugas, 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 does hereby grant authority to Staff to terminate State Lease No. 3090 operated by Hilcorp Energy Company in Lafourche and Terrebonne Parishes, Louisiana.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of December, 2018 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: Huckabay Property
Management, L.L.C. and Pugh
T. Huckabay, Jr. v. State of LA

RESOLUTION # 18-12-014

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding the matter entitled: Huckabay Property Management, L.L.C. and Pugh T. Huckabay, Jr. v. State of Louisiana, Docket No. 35821, 39th Judicial District Court, Red River Parish;

ON MOTION of Ms. LeBlanc, 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 does hereby ratify the previous approval of settlement terms involving Tracts 1, 2, & 3 to include settlement of Tracts 4 & 5 pursuant to the discussion 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 12th day of December, 2018 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