

# **MINUTES**

## **STATE MINERAL AND ENERGY BOARD**

### **LEASE SALE AND BOARD MEETING**

**February 13, 2019**



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

**Opening of Bids**

**February 13, 2019**

A public meeting for the purpose of opening sealed bids was held on Wednesday, February 13, 2019, beginning at 8:33 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Emile Fontenot presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of Tract Nos. 45076 through 45078 which were published for lease by the Board at today's sale.

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

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 Fontenot stated that there were no tracts to be withdrawn from today's Lease Sale.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

Tract 45076

Bidder	:	Range Louisiana Operating, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$13,158.50
Annual Rental	:	\$6,579.25
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45077(1)

Bidder	:	ConocoPhillips Company
Primary Term	:	Three (3) years
Cash Payment	:	\$1,990,879.80
Annual Rental	:	\$995,439.90
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45077(1)

Bidder	:	KILA Exploration, LLC
Primary Term	:	Five (5) years
Cash Payment	:	\$1,137,645.60
Annual Rental	:	\$568,822.80
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 45078(1)

Bidder	:	ConocoPhillips Company
Primary Term	:	Three (3) years
Cash Payment	:	\$940,202.87
Annual Rental	:	\$470,101.44
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45078(2)

Bidder	:	KILA Exploration, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$768,719.12
Annual Rental	:	\$384,359.56
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

There being no further business, the meeting was concluded at 8:40 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**  
**February 13, 2019**

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, February 13, 2019**, 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**  
**Robert D. Watkins**  
**J. Todd Hollenshead**  
**Theodore M. "Ted" Haik, Jr.**  
**Emile B. Cordaro**  
**Thomas L. Arnold, Jr.**  
**Kyle "Chip" Kline, Jr.**

The following members of the Board were recorded as absent:

**Byron L. Lee**

Mr. Manuel announced that ten (10) members of the Board were present and that a quorum was established.

### **III. PLEDGE OF ALLEGIANCE**

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

### **IV. APPROVAL OF THE JANUARY 9, 2019 MINUTES**

The Chairman stated that the first order of business was the approval of the January 9, 2019 Minutes. A motion was made by Mr. Arnold to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Mr. Harris and unanimously adopted by the Board. (No public comment was made at this time.)

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

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

### **VI. STAFF REPORTS**

- a) Lease Review Report**  
presented by Jason Talbot, Geology Supervisor  
Geology, Engineering & Land Division
- b) Nomination and Tract Report**  
presented by Emile Fontenot, Petroleum Lands Director  
Geology, Engineering & Land Division
- c) Audit Report**  
presented by Rachel Newman, Audit Director  
Mineral Income Division
- d) Legal and Title Controversy Report**  
presented by Emile Fontenot, Petroleum Lands Director  
Geology, Engineering & Land Division
- e) Docket Review Report**  
presented by Emile Fontenot, Petroleum Lands Director  
Geology, Engineering & Land Division

**a) LEASE REVIEW REPORT**

**February 13, 2019**

(Resolution No(s). 19-02-001 through 19-02-003)

**I. GEOLOGICAL AND ENGINEERING STAFF REVIEW**

According to the SONRIS database, there were 1,184 active State Leases containing approximately 513,433 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 93 leases covering approximately 40,546 acres for lease maintenance and development issues.

**II. BOARD REVIEW**

1. A staff report on State Lease 192, Selection C, West Bay Field, Plaquemines Parish. Hilcorp Energy Company is the lessee. Upon motion of Mr. Arnold, seconded by Mr. Watkins, the Board accepted Hilcorp Energy Company's report and granted Hilcorp until December 11, 2019 to provide a status report on activities over the lease. **(Resolution No. 19-02-001)**
2. A staff report on State Lease 797, Grand Isle Block 18 Field, Plaquemines Parish. Energy XXI GOM, LLC is the lessee. Upon motion of Mr. Arnold, seconded by Mr. Watkins, the Board accepted Cox Operating Inc.'s report and granted Cox until January 9, 2020 to prepare and submit a new plan of development for State Lease 797. **(Resolution No. 19-02-002)**
3. A staff report on State Lease 799, Grand Isle Block 16 Field, Jefferson Parish. Energy XXI GOM, LLC is the lessee. Upon motion of Mr. Arnold, seconded by Mr. Watkins, the Board accepted Cox Operating Inc.'s report and granted Cox until January 9, 2020 to prepare and submit a new plan of development for State Lease 799. **(Resolution No. 19-02-003)**

**III. FORCE MAJEURE**

1. There are no new Force Majeure items to be brought before the Board today.

**b) NOMINATION AND TRACT REPORT**  
**February 13, 2019**  
(Resolution No(s). 19-02-004)

The Board heard the report of Mr. Emile Fontenot on Wednesday February 13, 2019 relative to nominations received in the Office of Mineral Resources for the April 10, 2019 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Arnold**, 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 No. 19-02-004)**

**c) AUDIT REPORT  
February 13, 2019**

The first matter considered by the Board was a penalty waiver request from Clayton Williams Energy, Inc. for penalties which were the result of a field audit.

Upon motion of Mr. Arnold, seconded by Mr. Cordaro, with one objection by Mr. Haik after discussion and careful consideration the board voted to approve a 100% penalty waiver which amounts in the amount of \$46,357.06. (**Resolution No. 19-02-005**)

The second matter considered by the Board was the election of the February 2019 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**  
**February 13, 2019**

The first matter was a request by Castex Energy Partners, LLC to the State Mineral and Energy Board (Board) to amend and extend the authority to escrow funds derived from production in the LL&E No. 1 Well granted under Resolution #18-08-008 dated August 8, 2018.

Staff reported that Castex Energy Partners, Inc. was not the proper party to request authority to escrow funds because the current Lessee for the agreements stated in Resolution No. 18-08-008, among others, is Castex Energy Partners, LLC.

Staff recommended that the Board amend Resolution #18-08-008 to authorize Castex Energy Partners, LLC (Castex) to escrow funds from the date of first unit production from the Well (LL&E No. 1 Well, Serial No. 250180) on disputed acreage lying within the TEX L-CIB C RA SUA affecting State Operating Agreement A0383, State Lease No. 21676 and State Lease No. 21677 until August 14, 2019.

Upon motion of Secretary Harris, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the Board accepted Staff's recommendation and approved the request by Castex to amend and extend the authority to escrow funds derived from production in the LL&E No. 1 Well granted under Resolution #18-08-008 dated August 8, 2018. There were no comments from the public. **(Resolution No. 19-02-006)**

The second matter considered by the Board was a request by Krewe Energy, LLC (Krewe) to extend the authority to escrow funds derived from production attributable to Unit Tracts 4A and 6A within State Lease No. 21698 located in Lapeyrouse Field, Terrebonne Parish, granted under Resolution #18-08-004 dated August 8, 2018.

Staff reported that Unit Tract 4A is claimed by the State of Louisiana and LL&E. Unit Tract 6A is claimed by the State of Louisiana and Easton Picou, et al. The Easton Picou, et al owners, numbering over 400 private owners, had not been formally notified due to final outcome of the LL&E claim. Krewe had complied with OMR's escrow requirements as it related to reporting and bank statement submission.

Staff recommended that the Board grant an extension to Krewe to escrow funds derived from disputed acreage lying within Unit Tracts 4A and 6A affecting State Lease No. 21698 until August 14, 2019.

Upon motion of Mr. Arnold, seconded by Secretary Harris, and by unanimous vote of the Board, the Board accepted Staff's recommendation and approved the request from Krewe Energy, LLC to extend the authority to escrow funds derived from production attributable to Unit Tracts 4A and 6A within State Lease No. 21698 until August 14, 2019. There were no comments from the public. **(Resolution No. 19-02-007)**

The third matter considered by the Board was a request by Krewe Energy, LLC (Krewe) to extend the authority to escrow funds derived from production attributable to Unit Tract 1 within State Lease No. 21662 located in Lapeyrouse Field, Terrebonne Parish, granted under Resolution #18-08-005 dated August 8, 2018.

Staff reported that negotiations are currently ongoing between the parties to resolve the ownership issue. Krewe has complied with OMR's escrow requirements as it relates to reporting and bank statement submission.

Staff recommended that the Board grant an extension to Krewe to escrow funds derived from disputed acreage lying within Unit Tract 1 affecting State Lease No. 21662 until August 14, 2019.

Upon motion of Mr. Arnold, seconded by Mr. Watkins, and by unanimous vote of the Board, the Board accepted Staff's recommendation and approved the request by Krewe Energy, LLC to extend the authority to escrow funds derived from production attributable to Unit Tract 1 within State Lease No. 21662 until August 14, 2019. There were no comments from the public. **(Resolution No. 19-02-008)**

The fourth matter considered by the Board was a request by Krewe Energy, LLC (Krewe) to extend the authority to escrow funds derived from production attributable to Unit Tracts 1 through 7 and Unit Tracts 13 through 21 within State Lease Nos. 21662, 21696, and 21697 located in Lapeyrouse Field, Terrebonne Parish, granted under Resolution #18-08-003 dated August 8, 2018.

Staff reported that Unit Tracts 1 through 7 are claimed by the State of Louisiana and Apache Louisiana Minerals. Unit Tract 19 is claimed by the State of Louisiana and LL&E. Unit Tracts 13 through 18, 20 and 21 are claimed by the State of Louisiana and other private land owners, which number over 500. The private land owners had not been formally notified due to final outcome of the Apache and LL&E claim. Krewe had complied with OMR's escrow requirements as it related to reporting and bank statement submission.

Staff recommended that the Board grant an extension to Krewe to escrow funds derived from disputed acreage lying within Unit Tracts 1 through 7 and Unit Tracts 13 through 21 affecting State Lease Nos. 21662, 21696, and 21697 until August 14, 2019.

Upon motion of Mr. Arnold, seconded by Secretary Harris, and by unanimous vote of the Board, the Board accepted Staff's recommendation and approved the request by Krewe to extend the authority to escrow funds derived from production attributable to Unit Tracts 1 through 7 and Unit Tracts 13 through 21 affecting State Lease Nos. 21662, 21696, and 21697 until August 14, 2019. There were no comments from the public. **(Resolution No. 19-02-009)**

The fifth matter considered by the Board was a request by Belle Exploration, Inc. (Belle) to escrow funds derived from production attributable to disputed ownership of active wells situated within State Lease Nos. 16826, 17313, and 16827 located within Catahoula Lake in LaSalle Parish.

Staff reported that, historically, the State of Louisiana has been recognized as the owner of the Catahoula Lake bed, however, a recent ruling by the Louisiana Third Circuit Court of Appeals may potentially impact this ownership. Pending a ruling from the Louisiana Supreme Court, Belle is requesting to place all future royalty payments for production into an interest-bearing escrow account.

Staff recommended that the Board grant authorization to Belle to escrow funds derived from the production of these active wells situated within State Lease Nos. 16826, 17313, and 16827 until August 14, 2019.

Upon motion of Mr. Arnold, seconded by Mr. Hollenshead, and by unanimous vote of the Board, the Board accepted Staff's recommendation and approved the request by Belle to escrow funds derived from production attributable to disputed ownership of active wells situated within State Lease Nos. 16826, 17313, and 16827 located within Catahoula Lake in LaSalle Parish until August 14, 2019. There were no comments from the public. **(Resolution No. 19-02-010)**

The sixth matter to be considered by the Board was a discussion of Articles 1, 2, 3, 5, 7, and 17 of the proposed New Lease Form for the State Mineral and Energy Board's consideration.

After significant discussion of the various procedures to allow appropriate review of the Articles of the proposed new Lease Form by the Board, representatives of industry and the public, a motion was made by Mr. Haik that the entire Board, chaired by Mr. Arnold, hold a public meeting on the Tuesday preceding the Board Meeting of each month at approximately 1:00 pm (dependent upon availability of the meeting room and sufficient Board Members), to discuss specific Articles of the proposed new Lease Form and all comments duly submitted by industry and the public. At the conclusion of the Tuesday public meeting, the Board, as a whole, will make a recommendation to vote on the proposed draft Lease Form Articles discussed during the Tuesday public meeting at the following Wednesday Board Meeting.

Mr. Haik further stated that his motion included that all written comments by representatives of industry and the public on the Articles of the proposed new Lease Form must be submitted to the Assistant Secretary of the Office of Mineral Resources by Wednesday, close of business, in the week prior to the Tuesday and Wednesday meetings to allow for proper distribution of the comments to the Board and adequate public review.

Mr. Haik's motion was seconded by Mr. Watkins, and by unanimous vote of the Board, the Board approved Mr. Haik's motion as stated above. There were no comments from the public. **(Resolution No. 19-02-011)**

**e) DOCKET REVIEW REPORT**  
**February 13, 2019**  
(Resolution No(s). 19-02-012 through 19-02-022)

The Board heard the report from Emile Fontenot on Wednesday, February 9, 2019, 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 5

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

Category D: Advertised Proposals  
Docket Item Nos. 1 through 6

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

Category B: State Lease Transfers  
Approve Docket Item Nos. 1 through 5  
**(Resolution Nos. 19-02-012 through 19-02-016)**

Category C: Advertised Proposals  
Approve Docket Item Nos. 19-04 through 19-09  
**(Resolution Nos. 19-02-17 through 19-02-22)**

## VII. EXECUTIVE SESSION

(Resolution No(s). 19-02-023 through 19-02-024)

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. Arnold, seconded by Mr. Hollenshead, the Board Members went into Executive Session at 10:44 a.m.

Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, the Board reconvened in open session at 10:59 a.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion of the BHP Billiton Petroleum (KCS Resources), LLC audit

Upon motion Mr. Arnold, seconded by Mr. Harris, the Board voted unanimously to grant Staff the authority to close this audit. No comments were made by the public. **(Resolution No. 19-02-023)**

- b. A discussion regarding settlement of the matter entitled: Chesapeake Louisiana, L. P. v. State, Docket No. 35525, 39th Judicial District Court, Red River Parish

Upon motion of Mr. Watkins, seconded by Mr. Arnold, the Board voted unanimously to grant the Attorney General's office the authority to accept the settlement proposal of private landowners pending final drafting and presentation to the Board. No comments were made by the public. **(Resolution No. 19-02-024)**

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

## VIII. AWARDING OF LEASES

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

Upon motion by Mr. Arnold, seconded by Mr. Hollenshead, the Board unanimously voted to accept Staff's recommendations as follows:

1. Award a lease on Tract No. 45076 to Range Louisiana Operating, LLC
2. Award a lease on Tract No. 45077 to ConocoPhillips Company
3. Award a lease on Tract No. 45078 to ConocoPhillips Company

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 there were fourteen (14) leases awarded totaling \$2,944,241.17 for the February 13, 2019 Lease Sale bringing the fiscal year total to \$12,506,517.99.

#### **XI. ADJOURNMENT**

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Arnold, seconded by Mr. Hollenshead, the meeting was adjourned at 11:03 a.m.

Respectfully Submitted,

Jamie S. Manuel, Secretary  
State Mineral and Energy Board

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## **Resolution #19-02-001 (LEASE REVIEW)**

On motion of Mr. Arnold, seconded by Mr. Watkins, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board:

**WHEREAS**, the Lease Review Committee last reviewed State Lease 192-C in the West Bay Field on January 10, 2018, whereby the State Energy and Mineral Board (SMEB) accepted Hilcorp Energy Company's (Hilcorp) report and granted Hilcorp until December 14, 2018 to provide a status update of their activities on the lease; and

**WHEREAS**, by letter dated December 12, 2018, Hilcorp provided a status update of lease activities on State Lease 192-C, West Bay Field;

**NOW THEREFORE BE IT RESOLVED** that the SMEB accepts Hilcorp's report and grant Hilcorp until December 11, 2019 to submit an updated status report on lease activities affecting State Lease 192-C, West Bay Field.

### **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 the 13<sup>th</sup> day of February, 2019, 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 #19-02-002 (LEASE REVIEW)**

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

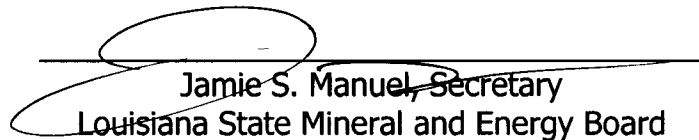
**WHEREAS**, the Board last reviewed State Lease 797, Grand Isle Block 18 Field, on February 14, 2018. The Board accepted Energy XXI GOM, LLC's (Energy XXI) offer to release 20% of State Lease 797 acreage in lieu of drilling a well and that an activities report should be provided to the Board by January 9, 2019; and,

**WHEREAS**, by letter dated January 8, 2019, Cox Operating (Cox), in lieu of Energy XXI, reported that State Lease 797 is being maintained by two wells and a partial release has been presented and processed by the OMR Staff; and

**NOW THEREFORE BE IT RESOLVED** the Board accepts Cox's status report, and that Cox should prepare and submit a new plan of development for State Lease 797 by January 9, 2020.

### **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 February 13, 2019, 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 #19-02-003  
(LEASE REVIEW)**

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

**WHEREAS**, the Board last reviewed State Lease 799, Grand Isle Block 16 Field, on February 14, 2018. The Board accepted Energy XXI GOM, LLC's (Energy XXI) report and granted Energy XXI until January 9, 2019 to provide a status update of State Lease 799; and,

**WHEREAS**, by letter dated January 8, 2019, Cox Operating (Cox), in lieu of Energy XXI, reported that Energy XXI and Cox continues to evaluate seismic data to identify new drilling opportunities and the lease is currently maintained by the Grand Isle Block 16 state/federal unit; and

**NOW THEREFORE BE IT RESOLVED** the Board accepts Cox Operating's status report, and requests that Cox provide a new plan of development for State Lease 799 by January 9, 2020.

**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 February 13, 2019, 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 April 10,  
2019 Lease Sale

**Resolution #19-02-004**  
**(NOMINATION AND TRACT REPORT)**

**WHEREAS**, Mr. Emile Fontenot reported that seven (7) tracts were nominated for the April 10, 2019 Mineral Lease Sale, and requested that same be advertised pending staff review;

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

That the State Mineral and Energy Board grant approval to advertise all such tracts for the April 10, 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 13th day of February 2019, 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 #19-02-005  
(AUDIT REPORT)**

**WHEREAS**, pursuant to La. R.S. 30:136.A (1) (c), the Office of Mineral Resources (OMR) staff is authorized to audit information relevant to the computation of royalties including appropriate records, report or other information; and

**WHEREAS**, The State Mineral and Energy Board caused an audit to be performed of state royalty payments made by Clayton Williams Energy, Inc. in the Clam Bay, Coquille Bay, Main Pass Block 47, and Saturday Island fields; State Leases 00195, 16666, 16667, 16849, 16850, 16851, 17340 and 18669 which audit revealed that Clayton Williams Energy, Inc. owed the state \$121,003.25 in underpayment of royalty and \$120,980.37 in interest and penalty for a total of \$241,983.62; and

**WHEREAS**, Clayton Williams Energy, Inc. has remitted payment of \$195,626.56 for the outstanding principal and interest and made letter of application for reduction of penalties assessed in the amount of \$46,357.06 that were the result of incorrect royalty payments; and

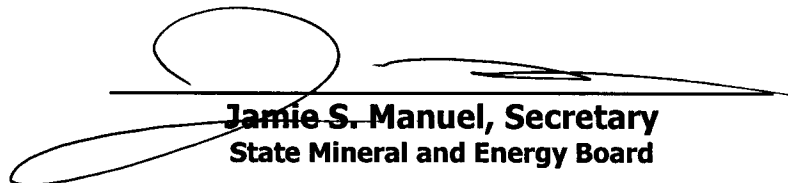
**WHEREAS**, the Staff of the Office of Mineral Resources, upon thorough review and consideration and in accordance with State Mineral and Energy Board established protocol, recommended that the foregoing request for a reduction of penalties be approved and that one hundred percent (100%) of the penalty be waived;

**ON MOTION** of Mr. Arnold, seconded by Mr. Cordaro with one objection by Mr. Haik, after discussion and careful consideration the following recommendation was offered and adopted by the Board;

**THEREFORE, BE IT RESOLVED** that the Board does waive one hundred percent (100%), which amounts to \$46,357.06 of the total penalty assessed to Clayton Williams Energy, Inc.

**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 13<sup>th</sup> day of February 2019, 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  
State Mineral and Energy Board**

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #19-02-006

(LEGAL & TITLE CONTROVERSY REPORT)

Castex Energy Partners,  
LLC - Request to Amend &  
Extend Authority to Escrow  
Funds Subject to Title  
Dispute - 21676,  
21677 & A0383

**WHEREAS**, Castex Energy Partners, LLC requests authority to amend and extend escrow royalty payments previously granted by the Board under Resolution No. 18-08-008, attributable to Well (LL&E No. 1 Well, Serial No. 250180) on disputed acreage lying within the TEX L-CIB C RA SUA affecting State Operating Agreement A0383, State Lease No. 21676 and State Lease No. 21677; and

**WHEREAS**, Castex Energy Partners, Inc. was not the proper party to originally request authority to escrow funds because the current Lessee for the agreements stated in Resolution No. 18-08-008, among others, is Castex Energy Partners, LLC;

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

That the State Mineral and Energy Board approve the request by Castex Energy Partners, LLC, to amend and extend escrow royalty payments previously granted by the Board under Resolution No. 18-08-008, from the date of first unit production from the Well (LL&E No. 1 Well, Serial No. 250180) on disputed acreage lying within the TEX L-CIB C RA SUA affecting State Operating Agreement A0383, State Lease No. 21676 and State Lease No. 21677, until August 14, 2019.

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

**NOW THEREFORE, BE IT RESOLVED** that the request by Castex Energy Partners, LLC, to amend and extend escrow royalty payments previously granted by the Board under Resolution No. 18-08-008, from the date of first unit production from the Well (LL&E No. 1 Well, Serial No. 250180) on disputed acreage lying within the TEX L-CIB C RA SUA affecting State Operating Agreement A0383, State Lease No. 21676 and State Lease No. 21677, until August 14, 2019, is hereby approved as stated above.

### CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 13th day of February, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #19-02-007

(LEGAL & TITLE CONTROVERSY REPORT)

Krewe Energy, LLC –  
Request to Extend Escrow  
August 14, 2019; Tracts 4A  
& 6A; Esposito B RF SUA;  
State Lease No. 21698

**WHEREAS**, Krewe Energy, LLC requests authority to extend escrow royalty payments until August 14, 2019, previously granted by the Board under Resolution No. 18-08-004 attributable to Unit Tracts 4A and 6A in the Exposito B RF SUA - Order 416-C-12, affecting State Lease No. 21698, Lapeyrouse Field located in Terrebonne Parish, Louisiana; and

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


That the State Mineral and Energy Board approve the request by Krewe Energy, LLC for extension of authority to escrow royalty payments until August 14, 2019, derived from the production of Unit Tracts 4A and 6A in the Exposito B RF SUA - Order 416-C-12, affecting State Lease No. 21698, Lapeyrouse Field located in Terrebonne Parish, Louisiana.

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

**NOW THEREFORE, BE IT RESOLVED** that the request by Krewe Energy, LLC for authority to extend the escrow of royalty payments to August 14, 2019, attributable to Unit Tracts 4A and 6A in the Exposito B RF SUA - Order 416-C-12, affecting State Lease No. 21698, Lapeyrouse Field located in Terrebonne Parish, Louisiana, is hereby approved.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 13th day of February, 2018 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #19-02-008

(LEGAL & TITLE CONTROVERSY REPORT)

Krewe Energy, LLC –  
Request to Extend Escrow  
to August 14, 2019; Unit  
Tract 1, FF-GG RA SUA;  
State Lease No. 21662

**WHEREAS**, Krewe Energy, LLC requests authority to extend escrow royalty payments until August 14, 2019, previously granted by the Board under Resolution No. 18-08-005, attributable to Unit Tract 1 in the FF-GG RA SUA - Order 416-GGG, affecting State Lease No. 21662, Lapeyrouse Field located in Terrebonne Parish, Louisiana; and

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

That the State Mineral and Energy Board approve the request by Krewe Energy, LLC for extension of authority to escrow royalty payments until August 14, 2019, derived from the production of Unit Tract 1 in the FF-GG RA SUA - Order 416-GGG, affecting State Lease No. 21662, Lapeyrouse Field located in Terrebonne Parish, Louisiana.

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

**NOW THEREFORE, BE IT RESOLVED** that the request by Krewe Energy, LLC for authority to extend the escrow of royalty payments to August 14, 2019, attributable to Unit Tract 1 in the FF-GG RA SUA - Order 416-GGG, affecting State Lease No. 21662, Lapeyrouse Field located in Terrebonne Parish, Louisiana, is hereby approved.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 13th day of February, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.

  
JAMIE S. MANUEL, SECRETARY  
STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #19-02-009

(LEGAL & TITLE CONTROVERSY REPORT)

Krewe Energy, LLC –  
Request to Extend Escrow  
to August 14, 2019; Tracts  
1-7 & 13-21; BOURG B SUI;  
State Lease Nos. 21662,  
21696 & 21697

**WHEREAS**, Krewe Energy, LLC requests authority to extend escrow royalty payments until August 14, 2019, previously granted by the Board under Resolution No. 18-08-003 attributable to Unit Tracts 1 through 7 and Unit Tracts 13 through 21 in the Bourg B SUI - Order 416-F-4, affecting State Lease Nos. 21662, 21696, and 21697, Lapeyrouse Field located in Terrebonne Parish, Louisiana; and

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

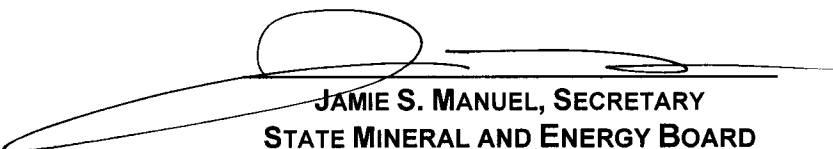
That the State Mineral and Energy Board approve the request by Krewe Energy, LLC for extension of authority to escrow royalty payments until August 14, 2019, derived from the production of Unit Tracts 1 through 7 and Unit Tracts 13 through 21 in the Bourg B SUI - Order 416-F-4, affecting State Lease Nos. 21662, 21696, and 21697, Lapeyrouse Field located in Terrebonne Parish, Louisiana.

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

**NOW THEREFORE, BE IT RESOLVED** that the request by Krewe Energy, LLC for authority to extend the escrow of royalty payments to August 14, 2019, attributable to Unit Tracts 1 through 7 and Unit Tracts 13 through 21 in the Bourg B SUI - Order 416-F-4, affecting State Lease Nos. 21662, 21696, and 21697, Lapeyrouse Field located in Terrebonne Parish, Louisiana, is hereby approved.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 13th day of February, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.

  
JAMIE S. MANUEL, SECRETARY  
STATE MINERAL AND ENERGY BOARD

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**RESOLUTION #19-02-010**  
**(LEGAL & TITLE CONTROVERSY)**

BELLE EXPLORATION, INC ESCROW AUTHORIZATION STATE LEASE NOS 16826, 16827 & 17313
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**ON MOTION OF** Mr. Arnold, duly seconded by Mr. Hollenshead, the following Resolution was adopted by the State Mineral and Energy Board (Board):

**WHEREAS**, the State of Louisiana (State) has a strong and vital interest in developing its natural resources for the benefit of its citizens; and

**WHEREAS**, La. R.S. 30:129 grants the Board full supervision over all mineral leases granted by the State, authorizes the Board to take any action necessary to protect the interests of the State and enter into agreements or amend leases in the manner most beneficial to the State; and

**WHEREAS**, by letter dated February 4, 2019, **Belle Exploration, Inc. (Lessee)** notified the Office of Mineral Resources that a *bona fide* dispute exists because of an adverse and competing claim by an individual or entity not a party to the lease agreement ("Disputing Parties") regarding the ownership of mineral rights or title to all or a portion of the premises (Disputed Property) under lease by the State of Louisiana within the active wells within **WX A RC SU116, WX H RA SUL, and WX C2 RA SUA Units**, affecting State Lease Nos. 12626, 16827, and 17313 ("State Leases"), and requested authorization to deposit the royalty payments due from all future production attributable to the Disputed Property into an escrow account in lieu of directly making royalty payments to the Office of Mineral Resources as required by the State Leases; and

**WHEREAS**, when Disputing Parties assert competing mineral ownership claim(s) against the State for the minerals lying under the Disputed Property, the Lessee may desire to establish an independent escrow account(s) with an escrow agent, in lieu of suspending royalty payments and filing a concursus proceeding, for the purpose of protecting itself from making unnecessary royalty payments pursuant to a mineral lease or operating agreement. The escrow account(s) will remain open pending resolution of the ownership dispute or the filing of a concursus proceeding; and

**NOW THEREFORE, BE IT RESOLVED:**

- i. a) The escrow authorization granted attributable to the Disputed Property shall terminate on August 14, 2019 or the next Board meeting; and
- b) The payment of royalties into the escrow account, as provided in Section II hereof, shall be accepted by the Board as the royalty payments due as required by the State Lease, and Lessee shall not be held in default of payment of its royalty obligation owed the State of Louisiana as long as deposits are timely and properly made into the escrow account as required by this Resolution; and
- c) The Board reserves the right to audit the royalty payments deposited into the escrow account and further reserves all audit rights authorized by the State Lease; and
- d) This Resolution shall become effective immediately upon adoption unless otherwise stated; and
- e) The Board authorizes Lessee to suspend the direct payment of royalties to the Office of Mineral Resources contingent on continued compliance with the requirements set forth herein; and



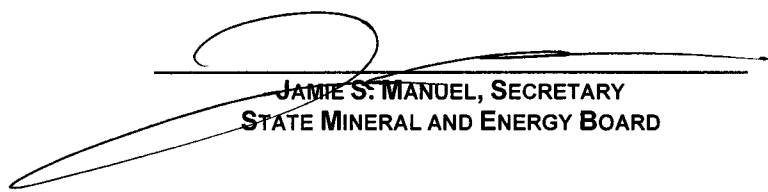
- f) The Board may within its sole discretion terminate the Escrow Agreement by providing thirty (30) days' notice to the Lessee.

**BE IT FURTHER RESOLVED:**

- II. a) Within thirty (30) calendar days of adoption of this Resolution, Lessee shall establish an escrow account, and the Lessee, the State and any agreeable Disputing Party shall enter into an Escrow Agreement upon the terms and conditions as set forth by this Resolution; and
- b) The escrow account shall be a segregated interest-bearing escrow account at a FDIC insured financial institution having a presence in the State of Louisiana. A separate escrow account shall be established for each tract of the Disputed Property where the ownership of a tract differs amongst the Disputing Parties; and
- c) Throughout the authorized escrow period, Lessee shall timely deposit into the escrow account, in accordance with the royalty payment terms of the State Lease, the properly calculated reported royalty payments attributable to the Disputed Property; and
- d) Upon request by the State, the Lessee shall provide satisfactory documentation such as, but not limited to, deposited checks, disbursements and/or monthly bank statements pertaining to the escrow account(s), to the Office of Mineral Resources; and
- e) Throughout the authorized escrow period, Lessee shall continue to timely provide fully completed SR-9 Reports (and any other requested documents) to the Office of Mineral Resources; and
- f) The Lessee does hereby acknowledge and agree that the nature of the disputed royalty payments deposited into the escrow account(s), in addition to any accumulated interest thereon, are not the property of the Lessee, but are the property of the State or the Disputing Parties and shall not be considered as the property of the Lessee's estate if the Lessee files for bankruptcy. This acknowledgement shall be contained in the terms of the Escrow Agreement; and
- g) If the ownership/title dispute is amicably resolved prior to expiration of the authorized escrow period, the royalty payments on deposit in the escrow account(s) and interest thereon accumulating, shall be timely distributed to the State or the Disputing Parties in accordance with the terms and conditions set forth in a final executed Settlement Agreement; and
- h) If the ownership/title dispute is not amicably resolved prior to expiration of the authorized escrow period, and any extension thereof authorized by the Board, Lessee shall, within thirty (30) calendar days of expiration, be liable to resume direct payments of royalties or invoke a concursus proceeding. Upon the filing of a concursus proceeding, the royalty payments deposited into the escrow account, including interest, shall be deposited into the Registry of the Court; and
- i) There shall be no transfer nor release of any funds, including interest, on deposit in the escrow account authorized by this Resolution, without the knowledge and written authorization of the State and the Disputing Parties who are party to the Escrow Agreement; and
- j) All charges and expenses in connection with the creation and maintenance of the escrow account authorized hereby are to be borne by Lessee.

**CERTIFICATE**

***I HEREBY CERTIFY*** that this is a true and correct copy of a Resolution adopted at a meeting on the 13th day of February, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #19-02-011

(LEGAL & TITLE CONTROVERSY REPORT)

SMEB Review of Draft Articles of Proposed New Lease Form and Comments
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**WHEREAS**, there was a discussion at the February 13, 2019 State Mineral and Energy Board Meeting on the procedures to allow appropriate review of the Articles of the proposed new Lease Form by the State Mineral and Energy Board (Board), representatives of industry and the public; and

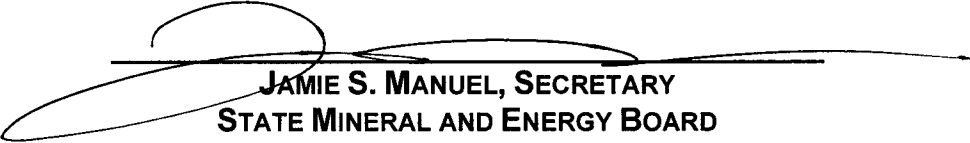
**WHEREAS**, after careful consideration by the State Mineral and Energy Board on this matter, a decision has been reached;

**NOW, THEREFORE BE IT RESOLVED**, upon motion of Mr. Haik, seconded by Mr. Watkins and by unanimous vote of the Board, the Board does hereby proclaim that the entire Board, chaired by Mr. Arnold, will hold a public meeting on the Tuesday preceding the Board Meeting of each month at approximately 1:00 pm (dependent upon availability of the meeting room and sufficient Board Members), to discuss specific Articles of the proposed new Lease Form and all comments duly submitted by representatives of industry and the public. At the conclusion of the Tuesday public meeting, the Board, as a whole, will make a recommendation to vote on the proposed draft Lease Form Articles discussed during the Tuesday public meeting at the following Wednesday Board Meeting;

**IT IS FURTHER RESOLVED** that all written comments by representatives of industry and the public on the Articles of the proposed new Lease Form must be submitted to the Assistant Secretary of the Office of Mineral Resources by Wednesday, close of business, in the week prior to the Tuesday and Wednesday meetings to allow for proper distribution of the comments to the Board and adequate public review.

## 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 13<sup>th</sup> day of February, 2019, 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 #19-02-012

#### (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the February 13, 2019 meeting be approved, said instrument being an Assignment from USG Properties Haynesville, LLC to Nadel and Gussman N.V., LLC, of all of Assignor's right, title and interest in and to State Lease No. 21827, Caddo Parish, Louisiana, with further particulars being stipulated in the instrument.

Nadel and Gussman N.V. 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 non-signatory 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;

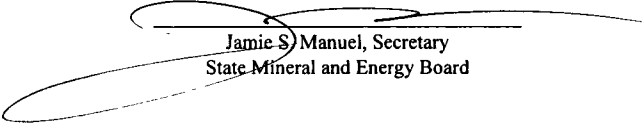
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 13th day of February, 2019, 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 #19-02-013 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the February 13, 2019 meeting be approved, said instrument being An Assignment from Mack Energy Co., of all of Assignor's right, title and interest to the following in the proportions set out below.

Deerfield Energy, L.L.C.	0.21042%
EEC E&P LLC	0.21042%
ExPert Oil & Gas, L.L.C.	2.31465%
Gulf Coast Western, LLC	7.05860%
Island Drilling, LLC	12.68140%
Laney C. Production LLC	6.38179%
REB Capital, LLC	0.21042%
R.J.M. Energy, Inc.	0 10522%

in and to State Lease Nos. 19202, 19203, 19204, 19205 and 19206, Lafourche and St. Charles Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

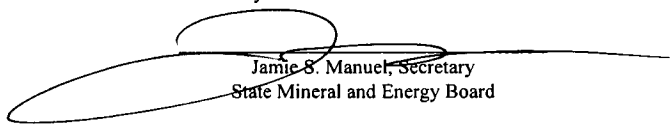
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 13<sup>th</sup> day of February, 2019, 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 #19-02-013 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the February 13, 2019 meeting be approved, said instrument being An Assignment from Mack Energy Co., of all of Assignor's right, title and interest to the following in the proportions set out below:

Deerfield Energy, L.L.C.	0.21042%
EEC E&P LLC	0.21042%
ExPert Oil & Gas, L.L.C.	2.31465%
Gulf Coast Western, LLC	7.05860%
Island Drilling, LLC	12.68140%
Laney C. Production LLC	6.38179%
REB Capital, LLC	0.21042%
R J.M Energy, Inc.	0.10522%

in and to State Lease Nos. 19202, 19203, 19204, 19205 and 19206, Lafourche and St Charles Parishes, Louisiana, with further particulars being stipulated in the instrument.

ExPert Oil & Gas, 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;

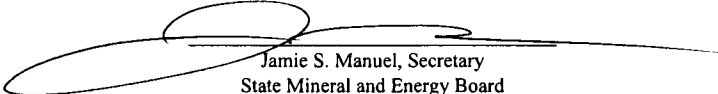
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 13th day of February, 2019, 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 #19-02-014

#### (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the February 13, 2019 meeting be approved, said instrument being a Transfer of Interest from ExPert Oil & Gas, L.L.C., on behalf of Knight Resources, LLC, of all of Assignor's right, title and interest to the following in the proportions set out below:

Deerfield Energy, L.L.C.	0.090613%
EEC E&P, LLC	0.090613%
ExPert Oil & Gas, L L C.	0.996741%
Gulf Coast Western, LLC	3.039587%
Island Drilling, LLC	5.460888%
Laney C. Production LLC	2.748138%
REB Capital, LLC	0.090613%
R.J.M. Energy, Inc.	0.045307%

in and to State Lease Nos. 19202, 19203, 19204, 19205, 19206 and 19232, Lafourche and St. Charles Parishes, Louisiana, with further particulars being stipulated in the instrument.

ExPert Oil & Gas, 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,

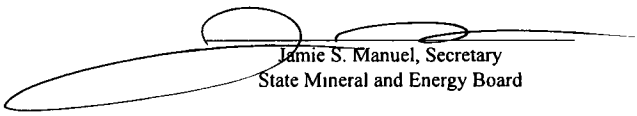
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 13th day of February, 2019, 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 #19-02-014

#### (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the February 13, 2019 meeting be approved, said instrument being a Transfer of Interest from ExPert Oil & Gas, L.L.C., on behalf of Knight Resources, LLC, of all of Assignor's right, title and interest to the following in the proportions set out below:

Deerfield Energy, L.L.C.	0.090613%
EEC E&P, LLC	0.090613%
ExPert Oil & Gas, L.L.C.	0.996741%
Gulf Coast Western, LLC	3.039587%
Island Drilling, LLC	5.460888%
Laney C. Production LLC	2.748138%
REB Capital, LLC	0.090613%
R.J.M. Energy, Inc.	0.045307%

in and to State Lease Nos. 19202, 19203, 19204, 19205, 19206 and 19232, Lafourche and St. Charles Parishes, Louisiana, with further particulars being stipulated in the instrument.

ExPert Oil & Gas, 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;

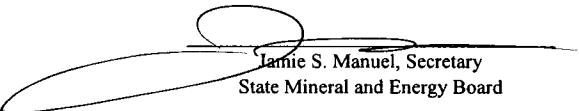
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 13th day of February, 2019, 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 #19-02-015

#### (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the February 13, 2019 meeting be approved, said instrument being an Assignment from Cypress Energy Corporation to Houston Energy, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 21876 and 21877, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

Houston Energy, L.P. 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;

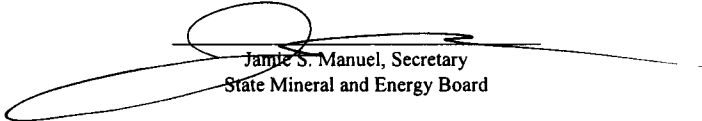
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 13th day of February, 2019, 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 #19-02-016

#### (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the February 13, 2019 meeting be approved, said instrument being an Assignment from McMoRan Oil & Gas LLC, of all of Assignor's right, title and interest to the following in the proportions set out below:

GOME 1271 LLC	90%
Castex Offshore, Inc.	10%

in and to State Lease Nos. 18090 and 18091, Vermilion Parish, Louisiana, with further particulars being stipulated in the instrument.

GOME 1271 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 non-signatory 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;

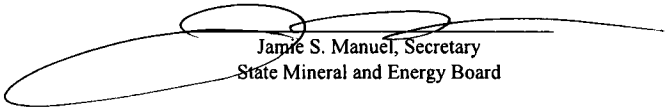
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 13th day of February, 2019, 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 #19-02-017

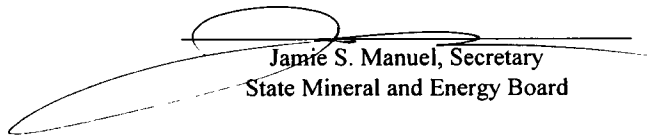
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19-04 from the February 13, 2019 meeting be approved, said instrument being a Lease Amendment by and between the State Mineral and Energy Board and Upstream Exploration LLC, whereas said parties agree to the extension of the term of the Deferred Development clause from two (2) years to three (3) years, insofar and only insofar as to the lands described in Exhibit "A" attached hereto, affecting State Lease No. 21380, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 13<sup>th</sup> day of February, 2019 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

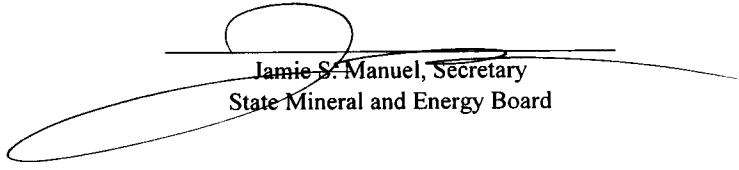
**Resolution #19-02-018**  
**(DOCKET)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19-05 from the February 13, 2019 meeting be approved, said instrument being a Lease Amendment by and between the State Mineral and Energy Board, 4J Oil & Gas Investments/Consultants, L.L.C., et al, whereas said parties agree to amend the prior shut-in payment clause presently found in said lease, affecting State Lease No. 19208, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 13<sup>th</sup> day of February, 2019 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 #19-02-019**

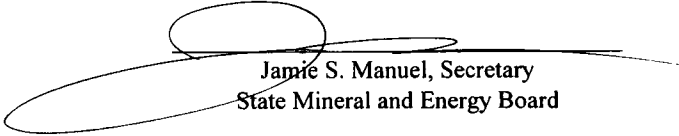
**(DOCKET)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19-06 from the February 13, 2019 meeting be approved, said instrument being a Lease Amendment by and between the State Mineral and Energy Board, 4J Oil & Gas Investments/Consultants, L.L.C., et al, whereas said parties agree to amend the prior shut-in payment clause presently found in said lease, affecting State Lease Nos. 18748 and 18868, Jefferson and Lafourche Parishes, Louisiana, with further particulars being stipulated in the instrument.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 13<sup>th</sup> day of February, 2019 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 #19-02-019**

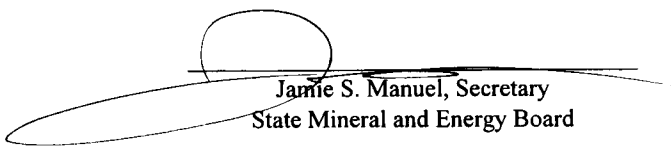
**(DOCKET)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19-06 from the February 13, 2019 meeting be approved, said instrument being a Lease Amendment by and between the State Mineral and Energy Board, 4J Oil & Gas Investments/Consultants, L.L.C., et al, whereas said parties agree to amend the prior shut-in payment clause presently found in said lease, affecting State Lease Nos. 18748 and 18868, Jefferson and Lafourche Parishes, Louisiana, with further particulars being stipulated in the instrument.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 13<sup>th</sup> day of February, 2019 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 #19-02-020**

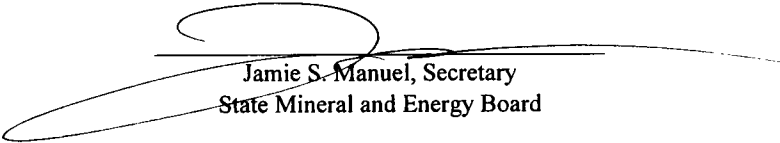
**(DOCKET)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19-07 from the February 13, 2019 meeting be approved, said instrument being a Settlement, Receipt and Release Agreement by and between Clayton Williams Energy, Inc., EnergyQuest II, L.L.C., Texas Petroleum Investment Company and the State of Louisiana, through the Louisiana State Mineral and Energy Board, et al, whereas said parties have reached a settlement in the matter entitled *Clayton Williams Energy, Inc. vs Carter-Butler Properties, L.P.*, Docket No. 10-18152, on the docket of the 38<sup>th</sup> Judicial District Court, Cameron Parish, Louisiana, affecting State Lease Nos. 12725, 12848, 13465, 19098 and 19109, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 13<sup>th</sup> day of February, 2019 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 #19-02-021**

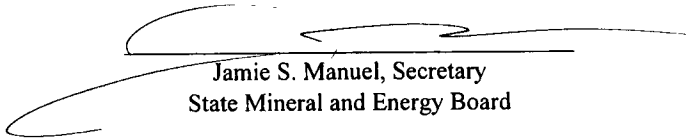
**(DOCKET)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19-08 from the February 13, 2019 meeting be approved, said instrument being a Settlement, Receipt and Release Agreement by and between Clayton Williams Energy, Inc., the State of Louisiana, through the Louisiana State Mineral and Energy Board, et al, whereas said parties have reached a settlement in the matter entitled *Clayton Williams Energy, Inc. vs Brandon J. Carter, Jr., et al.*, Docket No. 10-16392, on the docket of the 38<sup>th</sup> Judicial District Court, Cameron Parish, Louisiana, affecting State Lease Nos. 12848, 13465, 16097 and 16425, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 13<sup>th</sup> day of February, 2019 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 #19-02-022**

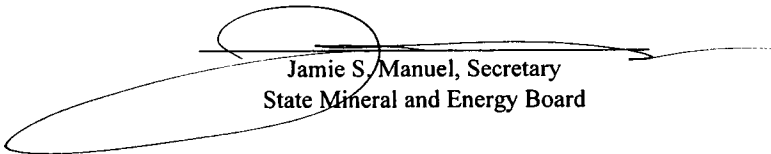
**(DOCKET)**

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19-09 from the February 13, 2019 meeting be approved, said instrument being an Operating Agreement by and between the State Mineral and Energy Board and Attic Investment, Inc., to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the state a State Production Interest equal to 24.5% before payout, increasing to 25% after payout, in and to the operating tract, Tract 1 being the northern tract containing 56.02 gross acres/ 22.408 net acres, more or less and Tract 2 being the southern tract containing 68.22 gross/net acres, more or less, located in Little White Lake, Vermilion Parish, Louisiana, with further particulars being stipulated in the instrument.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 13<sup>th</sup> day of February, 2019 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: BHP Billiton Petroleum  
(KCS Resources), LLC audit

## RESOLUTION # 19-02-023

(EXECUTIVE SESSION)

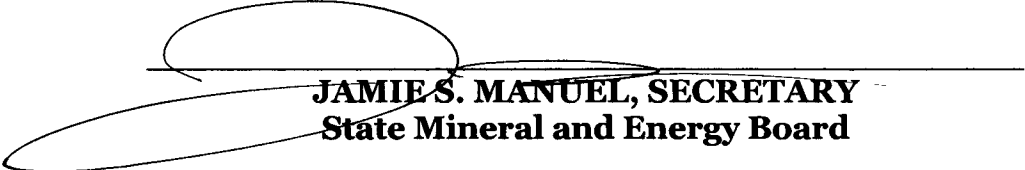
**WHEREAS**, a discussion was held in Executive Session regarding the audit of the BHP Billiton Petroleum (KCS Resources), LLC;

**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 does hereby grant Staff the authority to close this audit.

### CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 13th day of February, 2019 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: Chesapeake Louisiana, L.  
P. v. State, #35525  
39th JDC Red River Parish

## RESOLUTION # 19-02-024

(EXECUTIVE SESSION)

**WHEREAS**, a discussion was held in Executive Session regarding settlement of the matter entitled: Chesapeake Louisiana, L. P. v. State, Docket No. 35525, 39th Judicial District Court, Red River Parish;

**ON MOTION** of Mr. Watkins, seconded by Mr. Arnold, 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 the Attorney General's office the authority to accept the settlement proposal of private landowners pending final drafting and presentation to the Board.

### CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 13th day of February, 2019 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**