

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE AND BOARD MEETING (via Zoom)

JANUARY 13, 2021

John Bel Edwards
GOVERNOR



Thomas F. Harris
SECRETARY
Jamie S. Manuel
Assistant Secretary

State of Louisiana

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF MINERAL RESOURCES

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

In accordance with La. Acts 2020, No. 302 and Executive Proclamations JBE 2020-209 and JBE 2020-210, this notice shall serve as a certification of the Louisiana State Mineral and Energy Board's ("Board") inability to otherwise operate in accordance with the Louisiana Open Meetings Law as a result of the COVID-19 public health emergency. The Board will provide for attendance and quorum at its essential government meeting on January 13, 2021, via video conference. Pursuant to La. Acts 2020, No. 302, the Board must meet because:

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

Considering the foregoing, and in accordance with La. Acts 2020, No. 302 and Executive Proclamations JBE 2020-209 and JBE 2020-210, the Board's meeting on Wednesday, January 13, 2021, at 9:15 a.m. will be held via video conference and in a manner that allows for observation and input by members of the public, as set forth in the Notice posted on January 8, 2021.


JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board



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

Opening of Bids
January 13, 2021

A public meeting for the purpose of opening sealed bids was held on Wednesday, January 13, 2021, beginning at 9:15 a.m. via Zoom.

Byron Miller presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of Tract Nos. 45387 through 45394 which was published for lease by the Board at today's sale.

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

Mr. Miller stated that Tract No. 45393 was withdrawn from today's Lease Sale.

The following bids were then opened and read aloud to the assembled public by Jason Talbot:

Tract 45387 (1)
(Entire: 93.294 acres)

Bidder	:	GEP HAYNESVILLE, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$244,616.87
Annual Rental	:	\$122,308.44
Royalties	:	25.2% on oil and gas
	:	25.2% on other minerals
Additional Consideration	:	None

Tract 45387 (2)
(Entire: 93.294 acres)

Bidder	:	GEP HAYNESVILLE, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$309,922.67
Annual Rental	:	\$154,961.34
Royalties	:	22.51% on oil and gas
	:	22.51% on other minerals
Additional Consideration	:	None

Tract 45387(3)
(Entire: 93.294 acres)

Bidder	:	ENSIGHT IV ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$263,555.55
Annual Rental	:	\$131,777.78
Royalties	:	25.25% on oil and gas 25.25% on other minerals
Additional Consideration	:	None

Tract 45388(1)
(Entire: 46.752 acres)

Bidder	:	GEP HAYNESVILLE, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$155,310.15
Annual Rental	:	\$77,655.08
Royalties	:	22.51% on oil and gas 22.51% on other minerals
Additional Consideration	:	None

Tract 45388(2)
(Entire: 46.752 acres)

Bidder	:	GEP HAYNESVILLE, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$122,583.75
Annual Rental	:	\$61,291.88
Royalties	:	25.2% on oil and gas 25.2% on other minerals
Additional Consideration	:	None

Tract 45388(3)
(Entire: 46.752 acres)

Bidder	:	ENSIGHT IV ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$72,465.60
Annual Rental	:	\$36,232.80
Royalties	:	25% on oil and gas 25% on other minerals
Additional Consideration	:	None

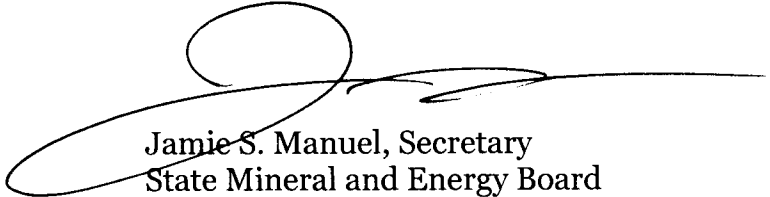
Tract 45389
(Entire: 281.640 acres)

Bidder	:	BCF RESOURCES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$66,185.40
Annual Rental	:	\$33,092.70
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

There being no further business, the Opening of the Bids Meeting was concluded at 9:28 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
January 13, 2021

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, January 13, 2021**, beginning at 9:30 a.m. via Zoom.

I. CALL TO ORDER

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

II. ROLL CALL

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

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

The following members of the Board were recorded as absent:

Darryl D. Smith

Mr. Manuel announced 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 DECEMBER 9, 2020 MINUTES

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

A motion was made by Ms. LeBlanc to adopt the December 9, 2020 Minutes as submitted and to waive reading of same. Her motion was seconded by Ms. Michaud-Dugas and unanimously adopted by the Board. (No public comment was made at this time.)

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

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

V. STAFF REPORTS

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

a) LEASE REVIEW REPORT

January 13, 2021

(Resolution No(s). 21-01-001)

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 1,093 active State Leases containing approximately 465,621 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 102 leases covering approximately 21,034 acres for lease maintenance.

II. BOARD REVIEW

1. There were no State Lease items discussed.

III. FORCE MAJEURE

1. Mr. Charles Bradbury of the Office of Mineral Resources (OMR) reported that Hilcorp Energy I, L.P. (Hilcorp) requested recognition of a force majeure condition affecting State Lease Nos. 188, 2703, and 2856 in Caillou Island Field, Lafourche and Terrebonne Parishes, Louisiana.

Mr. Bradbury further reported that these leases were initially shut-in on October 26, 2020, in advance of Hurricane Zeta.

Mr. Bradbury stated that Hilcorp reports that they are unable to restore to production due to damage to production facilities, gas processing plants, and transportation pipelines caused by Hurricane Zeta.

Mr. Bradbury further stated that the staff recognized the timely notification of the force majeure condition and granted until the May 12, 2021 Board Meeting to either restore production or seek other means to extend the leases through amendments to provide for shut-in payments to extend the leases further, and, if necessary, Hilcorp should submit payments on or before that date.

Mr. Bradbury recommended that the Board confirm the force majeure recognition of the above stated leases until the May 12, 2021 Board Meeting.

Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the Board approved the request by Hilcorp Energy I, L.P. for recognition of force majeure event affecting State Lease Nos. 188, 2703, and 2856 in Caillou Island Field, Lafourche and Terrebonne Parishes, Louisiana, until the May 12, 2021 Board Meeting to either restore production or seek other means to extend the leases through amendments to provide for shut-in payments to extend the leases further and, if necessary,

submit payment on or before that date. There were no comments from the public on this matter. **(Resolution No. 21-01-001)**

b) NOMINATION AND TRACT REPORT
January 13, 2021
(Resolution No(s). 21-01-002 and 21-01-003)

The Board heard the report of Mr. Byron Miller presented by Mr. Jason Talbot on Wednesday January 13, 2021 relative to nominations received in the Office of Mineral Resources for the March 10, 2021 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of Mr. Arnold, duly seconded by Mr. Harris, the Board granted authority to Staff to advertise all such tracts that have been received by the Staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report. **(Resolution No. 21-01-003)**

A request by Staff to withdraw Tract 45394 due to improper advertisement. On the recommendation from Staff and on the motion of Mr. Arnold, duly seconded by Ms. LeBlanc, the board voted unanimously to withdraw said Tract from the January 13, 2021 Lease Sale and grant the Staff the authority to advertise said Tract at a later Lease Sale. **(Resolution No. 21-01-002)**

c) AUDIT REPORT
January 13, 2021
(Resolution No(s). 21-01-004 and 21-01-005)

The first matter on the audit report was a penalty waiver request for Petrohawk Energy Operating, LLC.

Upon recommendation of the staff and upon the motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, the Board voted unanimously to waive fifty percent (50%) of the penalty waiver request of \$114,340.00, which amounts to \$57,170.00. **(Resolution No. 21-01-004)**

The second matter on the audit report was a penalty waiver request for MRC Energy Company.

Upon recommendation of the staff and upon the motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, the Board voted unanimously to waive seventy-five percent (75%) of the penalty waiver request of \$135,863.78, which amounts to \$101,897.84. **(Resolution No. 21-01-005)**

The third matter on the audit report was the election of the January 2021 gas royalty to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

d) LEGAL & TITLE REPORT
January 13, 2021
(Resolution No(s). 21-01-006 thru 21-01-009)

The first matter considered by the State Mineral and Energy Board (Board) was a request from Staff for approval of a request by Sun Louisiana, LLC and Pinnacle Energy International (USA) I, LLC (Pinnacle, et al) to extend the primary term of State Lease No. 21754 and State Lease No. 21787 from March 14, 2021 to March 14, 2022.

Staff reported that as consideration for the lease extensions, Pinnacle, et al agree to pay a full one (1) year delay rental payment amounting to \$87,500.00 for State Lease No. 21754 and \$13,505.63 for State Lease No. 21787.

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

Upon motion of Mr. Arnold, seconded by Ms. LeBlanc, and by unanimous vote of the Board, the State Mineral and Energy Board granted approval to Sun Louisiana, LLC and Pinnacle Energy International (USA) I, LLC. to amend the leases and extend the primary term of State Lease No. 21754 and State Lease No. 21787 to March 14, 2022 for payment of a full one (1) year delay rental payment amounting to \$87,500.00 for State Lease No. 21754 and \$13,505.63 for State Lease No. 21787. **(Resolution No. 21-01-006)**

The second matter considered by the Board was a request from the Attorney General's office to extend for one (1) year the authority to escrow funds derived from production attributable to Unit Tracts 4A and 6A within State Lease No. 21698 located in the EXPOSITO B RF SUA Unit, Lapeyrouse Field, Terrebonne Parish, granted under Resolution #20-02-006 dated February 12, 2020.

Staff recommended that the Board approve this request as stated above.

Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the State Mineral and Energy Board granted approval to extend for one (1) year the authority to escrow funds derived from production attributable to Unit Tracts 4A and 6A within State Lease No. 21698 located in the EXPOSITO B RF SUA Unit, Lapeyrouse Field, Terrebonne Parish, to the February 9, 2022 Board Meeting. **(Resolution No. 21-01-007)**

The third matter considered by the Board was a request from the Attorney General's office to extend for one (1) year the authority to escrow funds derived from production attributable to Unit Tract 1 within State Lease No. 21662 located in the FF-GG RA SUA Unit, Lapeyrouse Field, Terrebonne Parish, granted under Resolution #20-02-007 dated February 12, 2020.

Staff recommended that the Board approve this request as stated above.

Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the State Mineral and Energy Board granted approval to extend for one (1) year the authority to escrow funds derived from production attributable to Unit Tract 1 within State Lease No. 21662 located in the FF-GG RA SUA Unit, Lapeyrouse Field, Terrebonne Parish, to the February 9, 2022 Board Meeting. **(Resolution No. 21-01-008)**

The final matter considered by the Board was a request from the Attorney General's office to extend for one (1) year 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 the BOURG B SUI Unit, Lapeyrouse Field, Terrebonne Parish, granted under Resolution #20-02-008 dated February 12, 2020.

Staff recommended that the Board approve this request as stated above.

Upon motion of Ms. Michaud-Dugas, seconded by Ms. LeBlanc, and by unanimous vote of the Board, the State Mineral and Energy Board granted approval to extend for one (1) year the authority to escrow funds derived from production attributable to Unit Tract 1 within State Lease No. 21662 located in the FF-GG RA SUA Unit, Lapeyrouse Field, Terrebonne Parish, to the February 9, 2022 Board Meeting. **(Resolution No. 21-01-009)**

e) DOCKET REVIEW REPORT
January 13, 2021
(Resolution No(s). 21-01-0010 thru 21-01-014)

The Board heard the report from Byron Miller on Wednesday, January 13, 2021, relative to the following:

- Category A: State Agency Leases
Docket Item 1
- Category B: State Lease Transfers
Docket Item Nos. 1 through 2
- Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category
- Category D: Advertised Proposals
Docket Item No. 1 and 2

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

- Category A: State Agency Leases
Approve Docket Item 1
(Resolution No. 21-001-010)
- Category B: State Lease Transfers
Approve Docket Item Nos 1 through 2
(Resolution Nos. 21-01-011 thru 21-01-012)
- Category D: Advertised Proposals
Docket Item Nos. 1 and 2
(Resolution Nos. 21-01-013 and 21-01-014)

VI. EXECUTIVE SESSION

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

Upon motion of Ms. Michaud-Dugas, seconded by Ms. LeBlanc, the Board Members went into Executive Session at 9:52 a.m.

Upon motion of Mr. Arnold, seconded by Ms. LeBlanc, the Board reconvened in open session at 10:04 a.m. for consideration of the following matters discussed in Executive Session:

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

VII. AWARDING OF LEASES

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

In regard to the seven bids received across three (3) tracts, a motion was made by Mr. Arnold, and seconded by Mr. White, the Board voted to accept Staff's recommendations to accept the following bids and award leases on the following tracts:

Tract 45387
(Entire: 93.294 acres)

Bidder	:	ENSIGHT IV ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$263,555.55
Annual Rental	:	\$131,777.78
Royalties	:	25.25% on oil and gas
	:	25.25% on other minerals
Additional Consideration	:	None

Tract 45388
(Entire: 46.752 acres)

Bidder	:	GEP HAYNESVILLE, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$122,583.75
Annual Rental	:	\$61,291.88
Royalties	:	25.2% on oil and gas
	:	25.2% on other minerals
Additional Consideration	:	None

Tract 45389
(Entire: 281.640 acres)

Bidder	:	BCF RESOURCES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$66,185.40
Annual Rental	:	\$33,092.70
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

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

This concluded the awarding of the leases.

VII. NEW BUSINESS

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

No new business was presented.

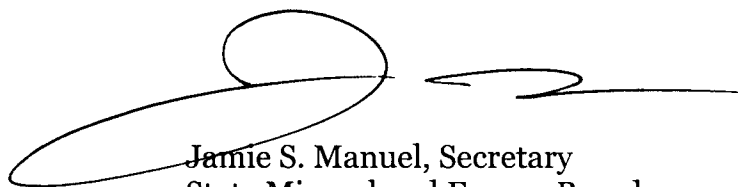
IX. ANNOUNCEMENTS

Mr. Manuel stated that the leases awarded totaled \$452,324.70 for the January 13, 2021 Lease Sale bringing the fiscal year total to \$4,040,214.79.

X. ADJOURNMENT

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. White, seconded by Ms. Michaud-Dugas, the meeting was adjourned at 10:09 a.m.

Respectfully Submitted,



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #21-01-001

(LEASE REVIEW REPORT)

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

WHEREAS, Mr. Charles Bradbury of the Office of Mineral Resources made a report on a request by Hilcorp Energy I, L.P. for recognition of force majeure condition affecting State Lease Nos. 188, 2703, and 2856 in Caillou Island Field, Lafourche and Terrebonne Parishes; and,

WHEREAS, these leases were initially shut-in on October 26, 2020, in advance of Hurricane Zeta; and

WHEREAS, the Staff recognized the timely notification of the force majeure condition and granted Hilcorp Energy I, L.P. until the May 12, 2021 Board Meeting to either restore production or seek other means to extend the leases through amendments to provide for shut-in payments to extend the leases further, and, if necessary, to submit payments on or before that date; and

WHEREAS, the Staff recommends that the Board confirm the force majeure recognition of State Lease Nos. 188, 2703, and 2856 until the May 12, 2021 Board Meeting.

NOW THEREFORE BE IT RESOLVED, that the State Mineral and Energy Board confirms the Staffs' recognition of a force majeure event requested by Hilcorp Energy I, L.P. affecting State Lease Nos. 188, 2703, and 2856 in Caillou Island Field, Lafourche and Terrebonne Parishes, until the April 14, 2021 Board Meeting. At which time, Hilcorp Energy I, L.P. must either restore production or seek other means to extend the leases through amendments to provide for oil shut-in payments to extend the leases further and, if necessary, submit payment on or before that date, and to update the sixty (60) day continuous operations clause in the lease.

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 January, 2021, of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Withdraw Tract 45394
from the January 13, 2021
Lease Sale

Resolution #21-01-002

(NOMINATION AND TRACT REPORT)

WHEREAS, the Staff presented a recommendation to withdraw Tract No. 45394 from the January 13, 2021 Lease Sale and be granted authority for said tract to be advertised at a later date;

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

That the State Mineral and Energy Board grant final approval to withdraw said tract for the January 13, 2021 Mineral Lease Sale and be granted authority to be advertised at a later date;

NOW, BE IT THEREFORE RESOLVED, that the State Mineral and Energy Board does hereby approve and authorize the withdrawal of said tract from the January 13, 2021 Lease Sale, and to otherwise approve the Nomination and Tract Report.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 13th day of January 2021, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.


Jamie S. Manuel, Secretary
LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Authority to Advertise
Tracts for the March 10,
2021 Lease Sale

RESOLUTION #21-01-003

(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Byron Miller reported that Five (5) tract(s) were nominated for the March 10, 2021 Mineral Lease Sale, and requested that same be advertised pending staff review;

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

That the State Mineral and Energy Board grant approval to advertise all such tract(s) for the March 10, 2021 Mineral Lease Sale;

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

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 13th day of January 2021, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #21-01-004
(AUDIT REPORT)**

Penalty Waiver Petrohawk Energy Operating
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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 Petrohawk Energy Operating, LLC in the Caspiana, Cedar Grove, Gahagan, Red River-Bull Bayou, and Swan Lake fields; State Leases 06111, 06629, 07028, 17124, 19349, 19764, 19765, 19769, 19830 20030, A0158, and A0242 which audit revealed that Petrohawk Energy Operating, LLC owed the state \$361,454.59 in underpayment of royalty and \$232,516.11 in interest and penalty for a total of \$593,970.70; and

WHEREAS, Petrohawk Energy Operating, LLC has remitted payment of \$361,454.59 in royalty exceptions, as well as \$118,176.11 for the outstanding interest and made letter of application for reduction of penalties assessed in the amount of \$114,340.00 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 fifty percent (50%) of the penalty be waived;

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

THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant in accordance with the Penalty Waiver Protocol, a 50% penalty waiver of \$57,170.00 with a balance of \$57,170.00 due to the state.

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 January, 2021, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.

JAMIE S. MANUEL, SECRETARY
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #21-01-005
(AUDIT REPORT)**

Penalty Waiver MRC Energy Company

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 MRC Energy Company in the Caspiana, Elm Grove, Gahagan, Red River-Bull Bayou, and Thorn Lake fields; State Leases 18393, 18394, 18606, 20015, 20114, 20147, 20157, 20186, 20478, and 20479 which audit revealed that MRC Energy Company owed the state \$406,357.95 in underpayment of royalty and \$299,375.94 in interest and penalty for a total of \$705,733.89; and

WHEREAS, MRC Energy Company has remitted payment of \$569,870.11 for the outstanding principal and interest and made letter of application for reduction of penalties assessed in the amount of \$135,863.78 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 seventy-five percent (75%) of the penalty be waived;

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

THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant in accordance with the Penalty Waiver Protocol, a 75% penalty waiver of \$101,897.84 with a balance of \$33,965.95 due to the state.

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 January, 2021, pursuant to due notice, at which

meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #21-01-006

(LEGAL & TITLE CONTROVERSY REPORT)

Sun Louisiana, LLC &
Pinnacle Energy International
(USA) I, LLC – Request to
extend primary term of State
Lease Nos. 21754 & 21787
to March 14, 2022.

WHEREAS, a request was received by the State Mineral and Energy Board from Staff for approval of a request by Sun Louisiana, LLC and Pinnacle Energy International (USA) I, LLC (Pinnacle, et al) to extend the primary term of State Lease No. 21754 and State Lease No. 21787 from March 14, 2021 to March 14, 2022; and

WHEREAS, Pinnacle, et al has agreed that as consideration for the lease extensions, Pinnacle, et al will pay a full one (1) year delay rental payment amounting to \$87,500.00 for State Lease No. 21754 and \$13,505.63 for State Lease No. 21787; and

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

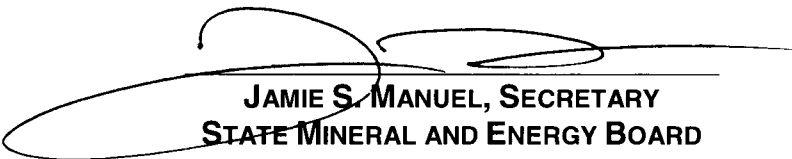
That the Board approve the request to amend these leases as stated above.

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby approve the foregoing request by Sun Louisiana, LLC and Pinnacle Energy International (USA) I, LLC to extend the primary term of State Lease No. 21754 and State Lease No. 21787, extending the expiration date to March 14, 2022 for a rental consideration of full one (1) year delay rental payment amounting to \$87,500.00 for State Lease No. 21754 and \$13,505.63 for State Lease No. 21787.

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 January, 2021, of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #21-01-007

(LEGAL & TITLE CONTROVERSY REPORT)

Request to Extend Escrow
to 2/9/2022; Tracts 4A & 6A;
Exposito B RF SUA; State
Lease No. 21698

WHEREAS, the Attorney General's Office requests authority to extend escrow royalty payments for one (1) year derived from production attributable to Unit Tracts 4A and 6A within State Lease No. 21698 located in the EXPOSITO B RF SUA Unit, Lapeyrouse Field, Terrebonne Parish, granted under Resolution #20-02-006 dated February 12, 2020; and

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

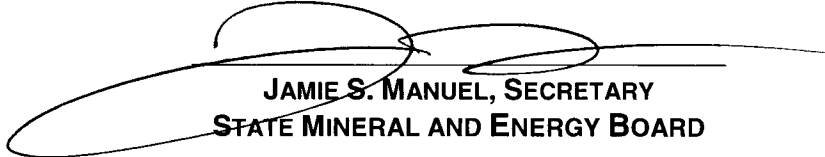
That the Board approve the request by the Attorney General's Office to extend escrow royalty payments for one (1) year derived from production attributable to Unit Tracts 4A and 6A within State Lease No. 21698 located in the EXPOSITO B RF SUA Unit, Lapeyrouse Field, Terrebonne Parish, granted under Resolution #20-02-006 dated February 12, 2020.

ON MOTION of Mr. Arnold, 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 the Attorney General's Office to extend escrow royalty payments for one (1) year derived from production attributable to Unit Tracts 4A and 6A within State Lease No. 21698 located in the EXPOSITO B RF SUA Unit, Lapeyrouse Field, Terrebonne Parish, granted under Resolution #20-02-006 dated February 12, 2020, is hereby approved until the February 9, 2022 Board Meeting.

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 January, 2021 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #21-01-008

(LEGAL & TITLE CONTROVERSY REPORT)

Request to Extend
Escrow to 2/09/22; Unit
Tract 1 within State
Lease No. 21662

WHEREAS, the Attorney General's Office requests authority to extend for one (1) year the authority to escrow funds derived from production attributable to Unit Tract 1 within State Lease No. 21662 located in the FF-GG RA SUA Unit, Lapeyrouse Field, Terrebonne Parish, granted under Resolution #20-02-007 dated February 12, 2020; and

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

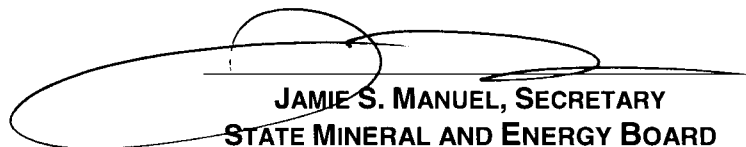
That the Board approve the request by the Attorney General's Office for extension of authority to escrow royalty payments until February 9, 2022, derived from the production of Unit Tract 1 within State Lease No. 21662 located in the FF-GG RA SUA Unit, Lapeyrouse Field, Terrebonne Parish.

ON MOTION of Mr. Arnold, 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 Attorney General's Office request to extend for one (1) year the authority to escrow funds derived from production attributable to Unit Tract 1 within State Lease No. 21662 located in the FF-GG RA SUA Unit, Lapeyrouse Field, Terrebonne Parish, is hereby approved until the February 9, 2022 State Mineral and Energy Board Meeting.

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 January, 2021 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #21-01-009

(LEGAL & TITLE CONTROVERSY REPORT)

Request to Extend Escrow to
2/09/2022; Tracts 1-7 & 13-21;
BOURG B SUI; State Lease
Nos. 21662, 21696 & 21697

WHEREAS, the Attorney General's Office requests authority to extend for one (1) year 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 the BOURG B SUI Unit, Lapeyrouse Field, Terrebonne Parish, granted under Resolution #20-02-008 dated February 12, 2020; and

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

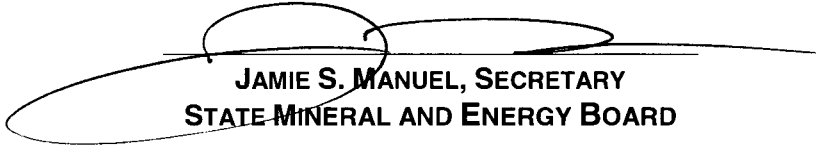
That the Board approve the request by the Attorney General's Office for extension of authority to escrow funds derived from production attributable to Unit Tracts 1 through 7 and Unit Tracts 13 through 21 within State Lease Nos. 21662, 21696, and 21697 located in the BOURG B SUI Unit, Lapeyrouse Field, Terrebonne Parish.

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

NOW THEREFORE, BE IT RESOLVED that the request by the Attorney General's Office for authority to extend for one (1) year 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 the BOURG B SUI Unit, Lapeyrouse Field, Terrebonne Parish, is hereby approved until the February 9, 2022 State Mineral and Energy Board Meeting.

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 January, 2021 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #21-001-010

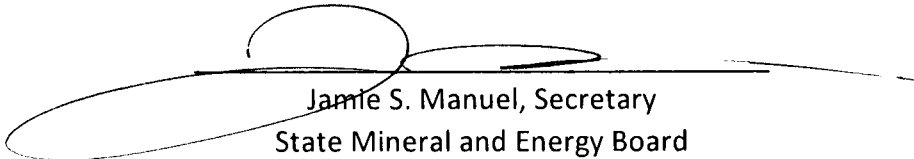
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the January 13, 2021 meeting be approved, said instrument being an Oil Gas and Mineral Lease from The Town of Kaplan aka City of Kaplan, Louisiana, dated October 20, 2020, awarded to Dunn Exploration Company, LLC, covering lands in Tract 1 and Tract 2, described in the attached Lease, Township 12 South, Range 2 East, Vermilion Parish, Louisiana, containing approximately 36.09 acres, more or less, with further particulars being more enumerated in 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 January, 2021 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #21-01-011

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the January 13, 2021 meeting be approved, said being an Assignment from Pine Wave Energy Partners Operating, LLC, an undivided 25% of all of Assignor's right, title and interest to the following in the proportions set out below:

Mammoth Minerals, LLC	12.5%
FPCC USA, Inc.	12.5%

in and to State Lease No. 21985, Caddo Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

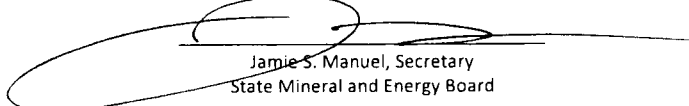
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 13th day of January, 2021, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #21-01-012

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the January 13, 2021 meeting be approved, said being an Assignment from LLOLA, L.L.C. to Houston Energy, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 21948, 21949 and 21970, Lafourche and Terrebonne Parishes, Louisiana, with further particulars being stipulated in the instrument.

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;

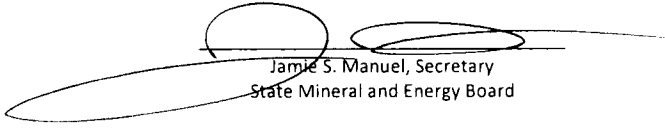
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 January, 2021, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #21-01-012

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the January 13, 2021 meeting be approved, said being an Assignment from LLOLA, L.L.C. to Houston Energy, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 21948, 21949 and 21970, Lafourche and Terrebonne Parishes, Louisiana, with further particulars being stipulated in the instrument.

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;

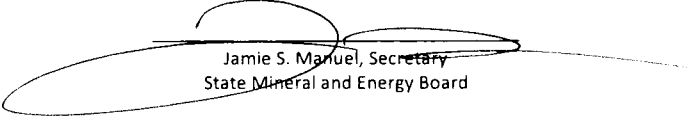
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 January, 2021, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #21-001-013

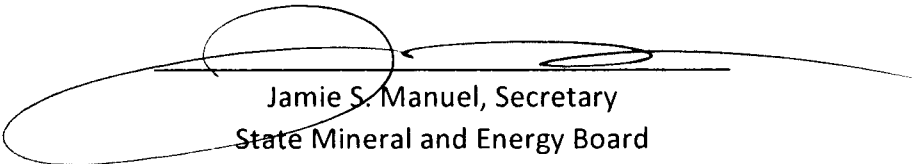
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item 21-01 from the January 13, 2021 meeting be approved, said instrument being a Settlement Agreement by and between the State of Louisiana, acting through its agency, the Louisiana State Mineral and Energy Board, Silverbow Resources Operating, LLC, The Plaquemines Parish Government and The Louisiana Land and Exploration Company LLC. The parties have reached a settlement in the Concursus Proceeding, Hunt Petroleum Corporation and Rosewood Resources, Inc. vs. Texaco Inc, Docket No. 34-592, 25th Judicial Court, Plaquemines Parish, Louisiana, affecting State Lease No. 10854, 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 13th day of January, 2021 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #21-001-014

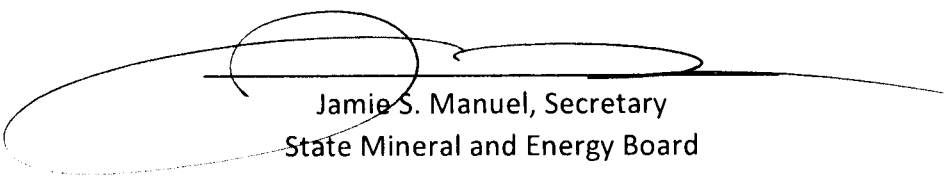
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item 21-02 from the January 13, 2021 meeting be approved, said instrument being a Communitization Agreement by and between the State Mineral and Energy Board, acting for and on behalf of the State of Louisiana, Hilcorp Energy I, L.P. and Entech Enterprises, Inc., to create a 448.918 acre unit, more or less, identified as the "10,500' VUA", affecting State Lease No. 1922, 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 13th day of January, 2021 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



Jamie S. Manuel, Secretary
State Mineral and Energy Board