

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE AND BOARD MEETING

April 13, 2022

**REGULAR MEETING
APRIL 13, 2022**

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, April 13, 2022**, beginning at 9:39 a.m. in the LaBelle Room of the LaSalle Building, 617 N. 3rd Street, First Floor, Baton Rouge, Louisiana.

I. CALL TO ORDER

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

II. ROLL CALL

OMR Assistant Secretary Jamie Manuel then called the roll for the purpose of establishing a quorum.

W. Paul Segura, Jr., Chairman
Carol R. LeBlanc, Vice-Chair
Thomas F. Harris, DNR Secretary
J. Todd Hollenshead
Robert D. Watkins
Harvey "Ned" White
Willie J. Young, Sr.
Harry J. Vorhoff, Governor John Bel Edwards Designee

The following members of the Board were recorded as absent:

Thomas L. Arnold, Jr.
Rochelle A. Michaud-Dugas
Darryl D. Smith

Chairman Segura announced that a quorum of eight (8) members was established.

III. PLEDGE OF ALLEGIANCE

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

IV. APPROVAL OF THE MARCH 9, 2022 MINUTES

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

A motion was made by Mr. Young to adopt the March 9, 2022 Minutes as submitted and to waive reading of the same. His motion was seconded by Ms. LeBlanc 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 Greg Roberts, 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 Greg Roberts, Petroleum Lands Director, Geology, Engineering & Land Division
- e) **Docket Review Report** - Presented by Greg Roberts, Petroleum Lands Director, Geology, Engineering & Land Division

a) LEASE REVIEW REPORT
APRIL 13, 2022
(Resolution Nos. 22-04-001 through 22-04-002)

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 1,015 active State Leases containing approximately 448,900 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 93 leases covering approximately 48,369 acres for lease maintenance.

II. BOARD REVIEW

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

III. LAGNIAPPE

1. Mr. Jason Talbot of the Office of Mineral Resources reported that currently there are an approximate total of 351 orphan wells with State interest which are designated as follows:
 - a. Approximately 7 wells in North Louisiana;
 - b. Approximately 1 wells in Central Louisiana;
 - c. Approximately 40 wells in Southwest Louisiana; and
 - d. Approximately 303 wells in Southeast Louisiana

IV. FORCE MAJEURE

1. Mr. Charles Bradbury of the Office of Mineral Resources reported that Talos Third Coast LLC requested to make a second oil shut-in payment to maintain State Lease No. 21061 for an additional six (6) month period.

Mr. Bradbury further reported that this lease was originally shut-in as a result of storm damage by Hurricane Ida.

Mr. Bradbury recommended that the Board grant an additional shut-in period for State Lease No. 20161.

Upon motion of Mr. Harris, seconded by Mr. Watkins, and by unanimous vote of the Board, the Board accepted Talos Third Coast LLC second oil shut-in payment to maintain State Lease No. 21061 for an additional six (6) month period. There were no comments from the public on this matter. **(Resolution No. 22-04-001)**

2. Mr. Charles Bradbury of the Office of Mineral Resources reported that Arena Offshore LP requested that the Board accept a late shut-in payment on State Lease No. 19718 in Plaquemines Parish to maintain the lease.

Mr. Bradbury further reported that the lease was originally managed by Tana Exploration Company LLC and was assigned to Breton Sound Holdings LLC in July 2021.

Mr. Bradbury also reported that the lease was shut-in July 9, 2021 due to several pipeline and host issues by a third party.

Mr. Bradbury continued that Arena Offshore assumed operatorship and restored production on November 21, 2021 after the well had been shut-in for a period of greater than ninety (90) days and that the lease will otherwise expire under its own terms.

Staff recommended that the Board accept the late shut-in payment.

Upon motion of Mr. Hollenshead, seconded by Mr. Watkins, and by unanimous vote of the Board, the Board accepted the request by Arena Offshore LP to accept a late shut-in payment on State Lease No. 19718 in Plaquemines Parish to maintain the lease. There were no comments from the public on this matter. **(Resolution No. 22-04-002)**

b) NOMINATION AND TRACT REPORT
APRIL 13, 2022
(Resolution No. 22-04-003)

The Board heard the report of Mr. Greg Roberts on Wednesday, April 13, 2022, relative to nominations received in the Office of Mineral Resources for the April 13, 2022 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of **Mr. White**, duly seconded by **Mr. Hollenshead**, 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. 22-04-003)**

**c) AUDIT REPORT
APRIL 13, 2022**

The first matter on the audit report was the election of the April 2022 gas royalty to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

**d) LEGAL & TITLE CONTROVERSY REPORT
APRIL 13, 2022
(Resolution Nos. 22-04-0013 through 22-04-014)**

The first matter considered by the State Mineral and Energy Board (Board) was a request by Staff, pursuant to La. R.S. 30:209(4)(e), for authority to conduct public hearings in Cameron, Jefferson and Plaquemine Parishes pursuant to La. R.S. 30:6, for consideration of entering into an Operating Agreement with Venture Global LNG, Inc. for the storage of carbon dioxide upon and beneath State owned lands and water-bottoms (Public Hearing).

This matter was delayed to allow the Board to discuss further in Executive Session.

Staff reported that together with the public notice that will be advertised by Staff in relation to the Public Hearing, Staff also requests authority to advertise a public notice regarding the possibility of entering into the Operating Agreement with Venture Global LNG, Inc. to store carbon dioxide beneath the same State owned lands and water-bottoms and directing an interested party to present an offer covering these lands and water-bottoms prior to the Public Hearing in order for that offer to be considered by the Board.

Staff further reported that the date of the public hearing and the specific areas to be covered by the proposed Operating Agreement will be set forth in the public notice.

After Executive Session, this matter was revisited by the Board. After careful consideration and upon motion of Mr. Watkins, seconded by Mr. Harris, the State Mineral and Energy Board approved the above request by Staff. There were no comments from the public on this matter. **(Resolution No. 22-04-013)**

The second matter considered by the Board was a request by Staff pursuant to La. R.S. 30:209(4)(e), for authority to conduct a public hearing in Cameron Parish pursuant to La. R.S. 30:6, for consideration of entering into an Operating Agreement with Denbury Carbon Solutions LLC for the storage of carbon dioxide upon and beneath State owned lands and water-bottoms (Public Hearing).

This matter was delayed to allow the Board to discuss further in Executive Session.

Staff reported that together with the public notice that will be advertised by Staff in relation to the Public Hearing, Staff also request authority to advertise a public notice regarding the possibility of entering into the Operating Agreement with Denbury Carbon Solutions LLC to store carbon dioxide beneath the same State owned lands and water-bottoms and directing an interested party to present an offer covering these lands and water-bottoms prior to the Public Hearing in order for that offer to be considered by the Board.

Staff further reported that the date of the public hearing and the specific areas to be covered by the proposed Operating Agreement will be set forth in the public notice.

After Executive Session, this matter was revisited by the Board. After careful consideration and upon motion of Mr. Young, seconded by Ms. LeBlanc, the State Mineral and Energy Board approved the above request by Staff. There were no comments from the public on this matter. **(Resolution No. 22-04-014)**

e) DOCKET REVIEW REPORT

April 13, 2022
(Resolution Nos. 22-04-004 thru 22-04-010)

The Board heard the report from Greg Roberts on Wednesday, April 13, 2022, relative to the following:

- Category A: State Agency Leases
There were no items for this category
- Category B: State Lease Transfers
Docket Item Nos. 1 through 3
- Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category
- Category D: Advertised Proposals
Docket Item Nos. 1 through 4

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

- Category B: State Lease Transfers
Docket Item Nos. 1 through 3
(Resolution Nos. 22-04-004 through 22-04-006)
- Category D: Advertised Proposals
Docket Item Nos. 1 through 4
(Resolution Nos. 22-04-007 and 22-04-010)

VI. EXECUTIVE SESSION

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

Upon motion of Mr. White, seconded by Mr. Watkins, the Board Members went into Executive Session at 9:55 a.m.

Upon motion of Mr. Harris, seconded by Mr. Hollenshead, the Board reconvened in open session at 10:40 a.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion and request for authority to pursue collection of liquidated damages payments. These obligations having arisen under nine (9) operating agreements numbered A0345, A0346, A0347, A0348, A0349, A0350, A0351, A0352 and A0353, being granted by the State Mineral and Energy Board to Chesapeake Louisiana, L.P.

Upon motion of Mr. Watkins, seconded by Mr. Young, the Board, pursuant to the discussion held in Executive Session, granted authority to Staff and the Attorney General's office to take action and move forward as discussed in Executive Session. No comments were made by the public. **(Resolution No. 22-04-011)**

- b. Discussion of request for an operating agreement by BPX Energy Inc. on unleased state acreage in the Red River along the Caddo-Bossier Parish border.

Upon motion of Mr. Hollenshead, seconded by Ms. LeBlanc, the Board, pursuant to the discussion held in Executive Session, granted authority to Staff to proceed as discussed in Executive Session. No comments were made by the public. **(Resolution No. 22-04-012)**

- c. Update and discussion of ongoing negotiations of operating agreements for Carbon Capture and Sequestration on State owned lands and water-bottoms and for property owned by the Louisiana Department of Wildlife and Fisheries.

This matter was a discussion only, and no action was taken by the Board.

- d. Technical Briefing on Bids

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.

The Staff reported that there were five (5) tracts up for bid. The Staff further reported that one (1) bid was received for Tracts 45518 and 45521 while two (2) bids were received for each of Tracts 45517, 45519, and 45520. The Staff recommended that the Board accept the single bids on Tracts 45518 and 45521, and the following bids for Tracts 45517, 45518 and 45521:

Tract 45517: Cypress Operating, Inc.
Tract 45519: Cypress Energy Corporation
Tract 45520: Cypress Energy Corporation

Upon motion of Mr. Harris, and seconded by Mr. Watkins (Mr. Hollenshead recused himself from the vote), the Board voted to accept Staff's recommendations to accept the following bids and award leases on the following Tracts:

Tract 45517

(Entire: 9.000 acres)

Bidder	:	Cypress Operating, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$18,450.00
Annual Rental	:	\$9,225.00
Royalties	:	25.0% on oil and gas
	:	25.0% on other minerals
Additional Consideration	:	None

Tract 45518

(Entire: 80.080 acres)

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$160,160.00
Annual Rental	:	\$80,080.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	As additional consideration for the granting of this lease, Lessee agrees that within 24 months from the date of this lease, Lessee will commence or cause to be commenced the drilling of a bona fide test well to the Haynesville

formation on or bottomed under the lease premises, or acreage pooled or unitized therewith, and drill such a test well as a reasonably prudent operator in an effort to establish the production of oil and/or gas in commercial quantities. In the event Lessee does not drill such well, then Lessee will pay to the State of Louisiana as liquidated damages the sum of \$500 per acre within 30 days after said 24 month period. It is understood said liquidated damage payment shall not be considered a rental payment. This drilling obligation is subject to Lessee being able to timely secure all required permits, and subject to the Lessee not being prohibited from conducting drilling operations by reason of force majeure.

Tract 45519

(Entire: 118.700 acres)

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$237,400.00
Annual Rental	:	\$118,700.00
Royalties	:	25.0% on oil and gas
	:	25.0% on other minerals
Additional Consideration	:	As additional consideration for the granting of this lease, Lessee agrees that within 24 months from the date of this lease, Lessee will commence or cause to be commenced the drilling of a bona fide test well to the Haynesville formation on or bottomed under the lease premises, or acreage pooled or unitized therewith, and drill such a test well as a reasonably prudent operator in an effort to establish the production

of oil and/or gas in commercial quantities. In the event Lessee does not drill such well, then Lessee will pay to the State of Louisiana as liquidated damages the sum of \$500 per acre within 30 days after said 24 month period. It is understood said liquidated damage payment shall not be considered a rental payment. This drilling obligation is subject to Lessee being able to timely secure all required permits, and subject to the Lessee not being prohibited from conducting drilling operations by reason of force majeure.

Tract 45520

(Entire: 56.592 acres)

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$113,184.00
Annual Rental	:	\$56,592.00
Royalties	:	20.0% on oil and gas
	:	20.0% on other minerals
Additional Consideration	:	As additional consideration for the granting of this lease, Lessee agrees that within 24 months from the date of this lease, Lessee will commence or cause to be commenced the drilling of a bona fide test well to the Haynesville formation on or bottomed under the lease premises, or acreage pooled or unitized therewith, and drill such a test well as a reasonably prudent operator in an effort to establish the production of oil and/or gas in commercial quantities. In the event Lessee does not drill such well, then Lessee will pay to the State of Louisiana as liquidated damages the sum of \$500 per acre within

30 days after said 24 month period. It is understood said liquidated damage payment shall not be considered a rental payment. This drilling obligation is subject to Lessee being able to timely secure all required permits, and subject to the Lessee not being prohibited from conducting drilling operations by reason of force majeure.

Tract 45521
(Entire: 1.000 acres)

Bidder	:	SandPoint Energy Partners LLC
Primary Term	:	One (1) year
Cash Payment	:	\$100.00
Annual Rental	:	\$0.00
Royalties	:	25.0% on oil and gas
	:	25.0% 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.

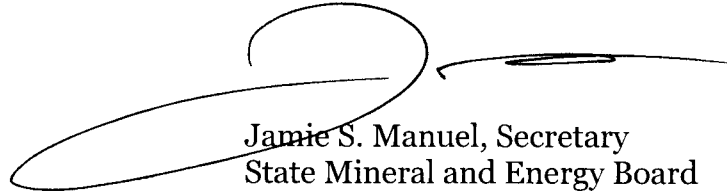
IX. ANNOUNCEMENTS

Mr. Manuel stated that the leases awarded totaled \$529,294.00 for the April 13, 2022 Lease Sale bringing the fiscal year total to \$2,615,036.30.

X. ADJOURNMENT

The Chairman then stated that there being no further business to come before the Board, upon motion of Mr. Hollenshead, seconded by Mr. Watkins, the meeting was adjourned at 10:46 a.m.

Respectfully Submitted,



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #22-04-001

(LEASE REVIEW REPORT)

WHEREAS, on motion of Mr. Harris, seconded by Mr. Watkins, the following resolution was offered and adopted:

WHEREAS, Mr. Charles Bradbury of the Office of Mineral Resources made a report on a request by Talos Third Coast LLC to the Board to accept a second oil shut-in payment for State Lease No. 21061 for an additional six (6) month period; and,

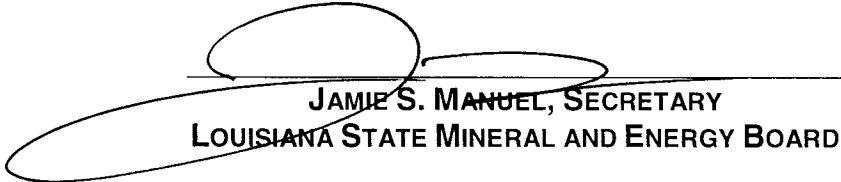
WHEREAS, the Staff reported that this lease was originally shut- as a result of storm damage by Hurricane Ida; and

WHEREAS, the Staff recommends that the State Mineral and Energy Board grant an additional shut-in period for State Lease No. 20161.

NOW THEREFORE BE IT RESOLVED, that the State Mineral and Energy Board does hereby to accept a second oil shut-in payment from Talos Third Coast LLC for State Lease No. 21061 for an additional six (6) month period.

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 April, 2022, 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

RESOLUTION #22-04-002

(LEASE REVIEW REPORT)

WHEREAS, on motion of Mr. Hollenshead, seconded by Mr. Watkins, the following resolution was offered and adopted:

WHEREAS, Mr. Charles Bradbury of the Office of Mineral Resources made a report on a request by Arena Offshore LP to the Board to accept a late shut-in payment for State Lease No. 19718, Plaquemines Parish, Louisiana; and,

WHEREAS, the Staff reported that the lease was originally managed by Tana Exploration Company LLC and was assigned to Breton Sound Holdings LLC in July 2021; and

WHEREAS, the Staff further reported that Arena Offshore assumed operatorship and restored production on November 21, 2021 after the well had been shut-in for a period of greater than ninety (90) days and that the lease will otherwise expire under its own terms; and,

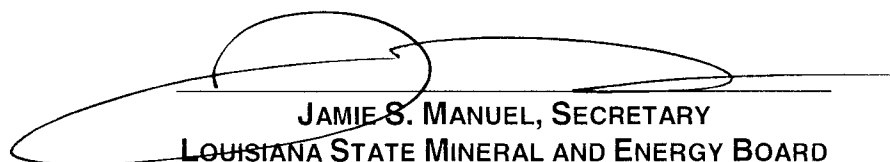
WHEREAS, the Staff reported that this lease was shut-in on July 9, 2021 due to several pipeline and host issues by a third party; and

WHEREAS, the Staff recommends that the State Mineral and Energy Board accept the late shut-in payment for State Lease No. 19718.

NOW THEREFORE BE IT RESOLVED, that the State Mineral and Energy Board does hereby accept the late shut-in payment by Arena Offshore LP for State Lease No. 19718, Plaquemines Parish, Louisiana.

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 April, 2022, of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Authority to Advertise
Tracts for the June 8,
2022 Lease Sale

RESOLUTION #22-04-003

(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Greg Roberts reported that Four (4) tract(s) were nominated for the June 8, 2022 Mineral Lease Sale, and requested that same be advertised pending staff review;

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

That the State Mineral and Energy Board grant approval to advertise all such tract(s) for the June 8, 2022 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 April 2022, 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 #22-04-004

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the April 13, 2022 meeting be approved, said being an Assignment from an Assignment from Pine Wave Energy Partners Operating, LLC to FPCC USA, Inc., a 12.5% working interest in and to State Lease Nos. 2524, 21858 and 21859, 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;

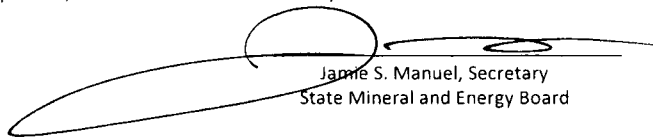
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 April, 2022, 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 #22-04-005

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the April 13, 2022 meeting be approved, said being an Assignment from an Assignment from Asquared Resources, LLC to Arkoma Drilling II, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 21978 and 21979, Bienville, Bossier and Webster Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

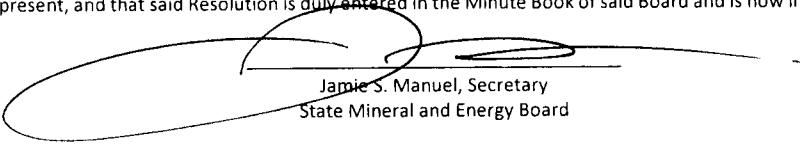
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 April, 2022, 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 #22-04-006

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the April 13, 2022 meeting be approved, said being an Assignment from a Merger whereby GEP Haynesville, LLC is merging with and into SWN Production (Louisiana), LLC, affecting State Lease Nos. 16717, 17946, 18858, 19124, 19125, 19193, 19576, 19693, 19694, 19765, 19769, 19795, 19796, 20014, 20015, 20036, 20037, 20256, 20354, 20403, 20424, 20757, 21670, 21838, 22004, 22006 and Operating Agreements "A0158" and "A0275", Bienville, Bossier, Caddo, DeSoto, Red River and Sabine Parishes, Louisiana, with further particulars being stipulated in the instrument.

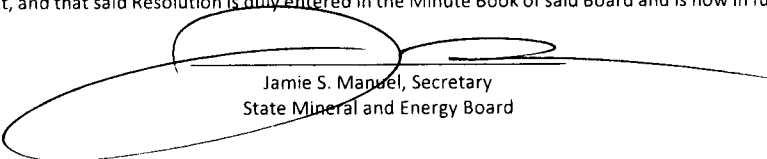
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 April, 2022, 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 #22-04-007

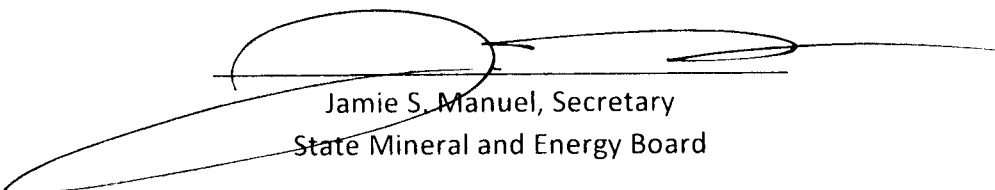
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 22-05 from the April 13, 2022 meeting be approved, said instrument being a Unitization Agreement by and between the State Mineral and Energy Board, acting for and on behalf of the State of Louisiana and Cantium, LLC, to create a 57.65 acre unit, more or less, identified as the "BM2 7800 RAA", affecting State Lease Nos. 1365 and 1486, Bay Marchand Block 2 Field, 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 13th day of April, 2022 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 #22-04-008

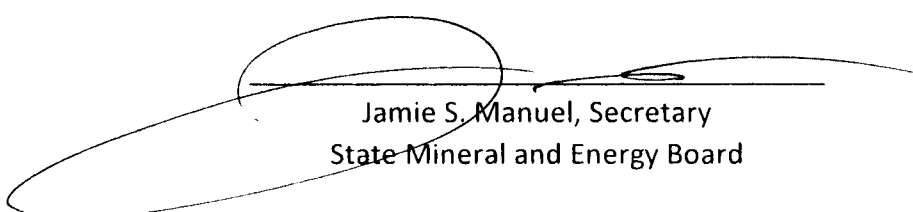
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 22-06 from the April 13, 2022 meeting be approved, said instrument being a Lease Amendment by and between the State of Louisiana, acting through its agency, the Louisiana State Mineral and Energy Board and Fort Apache Energy, Inc., whereas said parties desire to extend the primary term for one (1) year from May 8, 2022 to May 8, 2023, affecting State Lease No. 21909, Lafourche and Terrebonne 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 13th day of April, 2022 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 #22-04-009

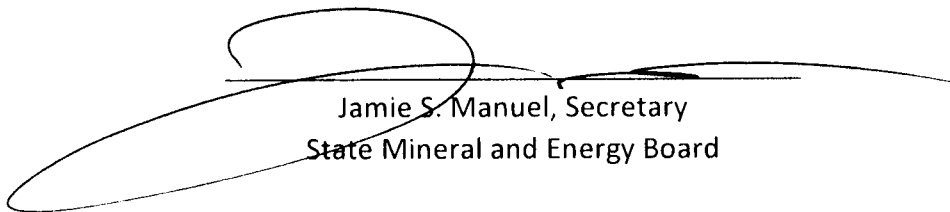
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 22-07 from the April 13, 2022 meeting be approved, said instrument being a Lease Amendment by and between the State of Louisiana, acting through its agency, the Louisiana State Mineral and Energy Board and Fort Apache Energy, Inc., whereas said parties desire to extend the primary term for one (1) year from May 8, 2022 to May 8, 2023, affecting State Lease No. 21908, Lafourche and Terrebonne 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 13th day of April, 2022 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 #22-04-010

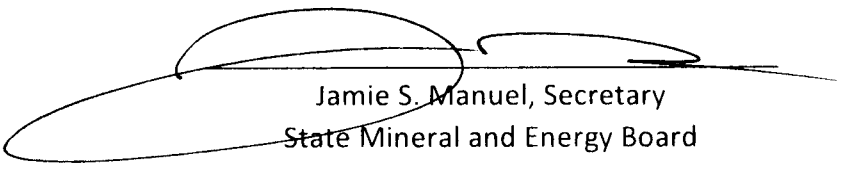
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 22-08 from the April 13, 2022 meeting be approved, said instrument being a Lease Amendment by and between the State of Louisiana, acting through its agency, the Louisiana State Mineral and Energy Board and Fort Apache Energy, Inc., whereas said parties desire to extend the primary term for one (1) year from May 8, 2022 to May 8, 2023, affecting State Lease No. 21910, Lafourche and Terrebonne 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 13th day of April, 2022 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 # 22-04-011

(EXECUTIVE SESSION)

Executive Session Discussion
Re: Discussion and request for
authority to pursue collection
of liquidated damages
payments on Operating
Agreement Nos. A0345,
A0346, A0347, A0348, A0349,
A0350, A0351, A0352 and
A0353 granted to Chesapeake
Louisiana, L.P.

WHEREAS, a discussion and request for authority to pursue collection of liquidated damages payments on obligations having arisen under nine (9) Operating Agreements numbered A0345, A0346, A0347, A0348, A0349, A0350, A0351, A0352 and A0353, that were granted by the State Mineral and Energy Board to Chesapeake Louisiana, L.P., and;

WHEREAS, Staff further reported that said pursuit of collection may include putting in demand and filing of litigation.

ON MOTION of Mr. Watkins, seconded by Mr. Young, 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 grants authority to Staff and the Attorney General's office to take action and move forward on the above matter as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 13th day of April, 2022 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 22-04-012

(EXECUTIVE SESSION)

Executive Session Discussion
Re: Discussion of a request for
an Operating Agreement by
BPX Energy Inc. on unleased
state acreage in the Red River
along the Caddo-Bossier
Parish border.

WHEREAS, a discussion of a request for an Operating Agreement by BPX Energy Inc. on unleased state acreage in the Red River along the Caddo-Bossier Parish border.

ON MOTION of Mr. Hollenshead, 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 grants authority to the Staff to proceed on the above matter as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 13th day of April, 2022 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #22-04-013

(LEGAL & TITLE CONTROVERSY REPORT)

Request by Staff to conduct
Public Hearings in ref
to entering OA with
Venture Global LNG, Inc. for
storage of carbon dioxide.

WHEREAS, a request was received from Staff, pursuant to La. R.S. 30:209(4)(e), for authority to conduct Public Hearings in Cameron, Jefferson and Plaquemine Parishes pursuant to La. R.S. 30:6, for consideration of entering into an Operating Agreement with Venture Global LNG, Inc. for the storage of carbon dioxide upon and beneath State owned lands and water-bottoms (Public Hearings); and

WHEREAS, the Staff reported that together with the Public Notice that will be advertised by Staff in relation to the Public Hearings, Staff also requests authority to advertise a Public Notice regarding the possibility of entering into the Operating Agreement with Venture Global LNG, Inc. to store carbon dioxide beneath the same State owned lands and water-bottoms and directing an interested party to present an offer covering these lands and water-bottoms prior to the Public Hearings in order for that offer to be considered by the Board; and

WHEREAS, the Staff further reported that the date of the Public Hearings and the specific areas to be covered by the proposed Operating Agreement will be set forth in the Public Notice; and

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

That the Board approve Staff's request for the aforementioned.

ON MOTION of Mr. Watkins, seconded by Mr. Harris, the Board unanimously granted Staff's recommendation on this matter.

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board hereby grants the authority to Staff, pursuant to La. R.S. 30:209(4)(e), to conduct Public Hearings in Cameron, Jefferson and Plaquemine Parishes pursuant to La. R.S. 30:6, for consideration of entering into an Operating Agreement with Venture Global LNG, Inc. for the storage of carbon dioxide upon and beneath State owned lands and water-bottoms and authority to advertise a Public Notice regarding the possibility of entering into an Operating Agreement with Venture Global LNG, Inc. to store carbon dioxide beneath the same State owned lands and water-bottoms and directing an interested party to present an offer covering these lands and water-bottoms prior to the Public Hearings in order for that offer to be considered by 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 April 2022 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 #22-04-014

(LEGAL & TITLE CONTROVERSY REPORT)

Request by Staff to conduct
Public Hearing in ref
to entering OA with
Denbury Carbon Solutions LLC,
Inc. for storage of carbon dioxide.

WHEREAS, a request was received from Staff, pursuant to La. R.S. 30:209(4)(e), for authority to conduct a Public Hearing in Cameron Parish pursuant to La. R.S. 30:6, for consideration of entering into an Operating Agreement with Denbury Carbon Solutions LLC for the storage of carbon dioxide upon and beneath State owned lands and water-bottoms (Public Hearing); and

WHEREAS, the Staff reported that together with the Public Notice that will be advertised by Staff in relation to the Public Hearing, Staff also requests authority to advertise a Public Notice regarding the possibility of entering into an Operating Agreement with Denbury Carbon Solutions LLC to store carbon dioxide beneath the same State owned lands and water-bottoms and directing an interested party to present an offer covering these lands and water-bottoms prior to the Public Hearing in order for that offer to be considered by the Board; and

WHEREAS, the Staff further reported that the date of the Public Hearing and the specific areas to be covered by the proposed Operating Agreement will be set forth in the Public Notice; and

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

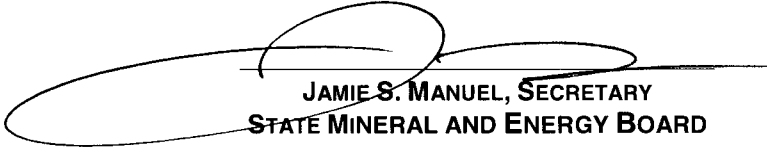
That the Board approve Staff's request for the aforementioned.

ON MOTION of Mr. Young, seconded by Ms. LeBlanc, the Board unanimously granted Staff's recommendation on this matter.

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board hereby grants authority to the Staff to conduct a Public Hearing in Cameron Parish pursuant to La. R.S. 30:6, for consideration of entering into an Operating Agreement with Denbury Carbon Solutions LLC for the storage of carbon dioxide upon and beneath State owned lands and water-bottoms and the authority to advertise a Public Notice regarding the possibility of entering into an Operating Agreement with Denbury Carbon Solutions LLC to store carbon dioxide beneath the same State owned lands and water-bottoms and directing an interested party to present an offer covering these lands and water-bottoms prior to the Public Hearing in order for that offer to be considered by 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 April 2022 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