

# **MINUTES**

## **STATE MINERAL AND ENERGY BOARD**

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

**AUGUST 9, 2017**

JOHN BEL EDWARDS  
GOVERNOR



THOMAS F. HARRIS  
SECRETARY

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

**Opening of Bids**

**August 9, 2017**

A public meeting for the purpose of opening sealed bids was held on Wednesday, August 9, 2017, beginning at 8:30 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Recorded as present were:

**Jamie Manuel** – Assistant Secretary of the Office of Mineral Resources

**Stacey Talley** - Business Analytics Specialist of the Office of Mineral Resources

**Rachel Newman** – Director, Mineral Income Division

**Boyd Handley** – Administrator, Geology, Engineering & Lands Division

**Emile Fontenot** – Director, Petroleum Lands

Mr. Manuel presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of Tract Nos. 44764 through 44774 which were published for lease by the Board at today's sale.

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

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 Manuel stated that there were no tracts to be withdrawn from today's Lease Sale.

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

Mr. Emile Fontenot.

**INLAND TRACTS**

Tract 44764

Bidder	:	SWN PRODUCTION COMPANY, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$4,950.00
Annual Rental	:	\$2,475.00
Royalties	:	20.00000% on oil and gas 20.00000% on other minerals
Additional Consideration	:	None

Tract 44765

Bidder	:	THEOPHILUS OIL, GAS & LAND SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$31,020.00
Annual Rental	:	\$15,510.00
Royalties	:	25.00000% on oil and gas 25.00000% on other minerals
Additional Consideration	:	None

Tract 44766

Bidder	:	DUNN EXPLORATION COMPANY, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$1,400.00
Annual Rental	:	\$700.00
Royalties	:	22.00000% on oil and gas 22.00000% on other minerals
Additional Consideration	:	None

Tract 44768

Bidder	:	ACADIAN LAND SERVICES, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$1,805.00
Annual Rental	:	\$902.50
Royalties	:	27.5% on oil and gas 27.5% on other minerals
Additional Consideration	:	None

Tract 44770  
(Portion Bid: 1,000 Acres)

Bidders	:	SUN SHALE VENTURES, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$175,000.00
Annual Rental	:	\$87,500.00
Royalties	:	0.210000% on oil and gas
	:	0.210000% on other minerals
Additional Consideration	:	None

\* A letter of clarification was submitted by Sun Shale Ventures, Inc. and Pinnacle Energy International (USA) I LLC to clarify their intention of offering Twenty One Percent (21.0%) royalty on their portion bid.

**STATE AGENCY TRACTS**

Tract 44773

Bidder	:	SENTRY ENERGY SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$30.00
Annual Rental	:	\$15.00
Royalties	:	25.000000% on oil and gas
	:	25.000000% on other minerals
Additional Consideration	:	None

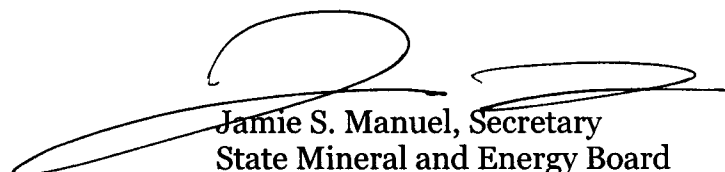
Tract 44774

Bidder	:	SENTRY ENERGY SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$230.00
Annual Rental	:	\$115.00
Royalties	:	25.000000% on oil and gas
	:	25.000000% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

There being no further business, the meeting was concluded at 8:42 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

TO: MEMBERS OF THE STATE MINERAL AND ENERGY BOARD AND  
REPRESENTATIVES OF THE OIL AND GAS INDUSTRY

August 9, 2017

LADIES and GENTLEMEN:

Certified proofs of publication have been received in the Office of Mineral Resources on behalf of the State Mineral and Energy Board for the State of Louisiana from the "Advocate," official journal for the State of Louisiana, and from the respective parish journals as evidence that Tract Nos. 44764 through 44774 have been advertised in accordance with and under the provisions of Chapter 2, Title 30 of the Revised Statutes of 1950, as amended.

Yours very truly,

A handwritten signature in cursive script, reading "Emile Fontenot".

Emile Fontenot  
Petroleum Lands Director



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

**REGULAR MEETING**  
**August 9, 2017**

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, August 9, 2017**, beginning at 9:30 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

**I. CALL TO ORDER**

Ms. Carol R. LeBlanc, Vice-Chair, called the meeting to order.

**II. ROLL CALL**

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

**Carol R. LeBlanc, Vice-Chair**  
**Thomas L. Arnold, Jr.**  
**Emile B. Cordaro**  
**Theodore M. "Ted" Haik, Jr.**  
**Robert D. Watkins**  
**J. Todd Hollenshead**  
**\* W. Paul Segura, Jr., Chairman**  
**\* Thomas F. Harris, DNR Secretary**  
**\* Johnny B. Bradberry**

The following members of the Board were recorded as absent:

**Gregory C. Carter**  
**Rochelle A. Michaud-Dugas**

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\* Mr. Segura was recorded as arriving during the discussion of Item No. 6 of the Legal & Title Report.

\* Mr. Harris was recorded as arriving during the discussion of the Nomination & Tract Report and left during the discussion of Item No. 9 of the Legal & Title Report.

\* Mr. Bradberry was recorded as arriving during the discussion of the Nomination & Tract Report and left after discussions were held in Executive Session.

Mr. Manuel announced that six (6) members of the Board were present and that a quorum was established.

Also recorded as present were:

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

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

The Vice-Chair led the Board in reciting the Pledge of Allegiance to the Flag of the United States of America.

### **IV. APPROVAL OF THE JULY 12, 2017 MINUTES**

The Vice-Chair stated that the first order of business was the approval of the July 12, 2017 Minutes. A motion was made by Mr. Haik to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Mr. Watkins and unanimously adopted by the Board. (No public comment was made at this time.)

The Vice-Chair 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  
(Resolution #17-08-001)
- b) Nomination and Tract Report
- c) Audit Report  
(Resolution Nos. 17-08-002)
- d) Legal and Title Controversy Report  
(Resolution Nos. 17-08-003 thru 17-08-010)

- e) Docket Review Report \*  
(Resolution Nos. 17-08-011 thru 17-08-020)

\* The Vice-Chair turned the meeting over to the Chairman, Paul W. Segura, Jr., before discussion of the Docket Review Report.



**a) LEASE REVIEW REPORT**  
**August 9, 2017**

I. Geological and Engineering Staff Review

According to the SONRIS database, there were 1,281 active State Leases containing approximately 556,000 acres. Since the last Lease Review Board meeting, the Geological and Engineering Division reviewed 81 leases covering approximately 21,000 acres for lease maintenance and development issues.

II. Board Review

There were no leases brought before the Board.

III. Force Majeure

The Staff recognized a force majeure event reported by Standard Operating LLC, affecting State Leases 2102 and 20609 and Operating Agreement A0333. Due to rising flood water, Standard Operating was forced to move the workover rig off location prior to completing downhole reworking operations. The Staff recognized that the ninety (90) day continuous operations clause was temporarily suspended from May 25, 2017 through July 1, 2017. The Staff informed the operator that they had ninety (90) days or until September 29, 2017 to re-commence downhole drilling or reworking operations or production in paying quantities.

The Staff requests the Board to confirm the Staff's recognition. Upon motion of Mr. Arnold, seconded by Mr. Hollenshead, the Board confirmed the Staff's force majeure recognition, affecting State Leases 2102, 20609 and Operating Agreement A0333. (Resolution No. 17-08-001)

Louisiana Department of Natural Resources (DNR)

SONRIS

Staff Reviews

Report run on: August 9, 2017 3:01 PM

District Code 1 New Orleans- East

Get Review Date August 9, 2017

Get Review Date	District Code	Block	Unit/SL/Lease/Activity	Productive Acreage	Present Acreage	Flagged for Review
		01212	POINTE A LA HACHE VUG;DELACROIX	965	1728.33	AUG AR 7/19/17 DP AR - HBP - 2 UNITS, 3 VUS
		01319	POINTE A LA HACHE UL 3A RJ SUA;A J BESH EL ETUX 10/25/2005 462-F-3	63	63.057	AUG AR 7/19/17 DP AR - HBP - 3 UNITS, 2 VUS
		01349	QUARANTINE BAY S-4 VUA;	100	594.54	AUG AR 7/19/17 DP AR - HBP - 1 UNIT, 1 SL WELL
		11188	MAIN PASS BLOCK 47 SL 11189	218.82	218.821	AUG AR 7/19/17 DP QR - HBP - 1 UNIT
		17086	BAYOU BILOXI 399.336 05/21/2003	27.664	27.664	AUG AR 7/19/17 DP AR - HBP - 1 UNIT
		17088	BAYOU BILOXI 24.587 08/11/2005	9.413	9.413	AUG AR 7/19/17 DP AR - HBP - 1 UNIT
		17143	LAKE BORGNE 263.02 07/30/2003	96.4	96.4	AUG AR 7/19/17 DP AR - HBP - 1 VU
		17860	BRETON SOUND BLOCK 53 136.11 09/30/2014	387.59	387.59	AUG AR 7/19/17 DP AR - HBP - 1 VU
		17863	BRETON SOUND BLOCK 53 , MAIN PASS BLOCK 46 70.31 09/30/2014	194.35	194.35	AUG AR 7/19/17 DP AR - HBP - 1 VU
		18194	CHANDELEUR SOUND BLOCK 71	150	270.85	AUG AR 7/19/17 DP AR - HBP - 1 SL WELL
		18550	MAIN PASS BLOCK 46 VUC;SL 18550 06/11/2014	296.08	296.08	AUG AR 7/28/16 DP AR - HBP - 1 VU;;
		18581	COQUILLE BAY 8.64 08/23/2007	12.57	12.57	AUG AR 7/19/17 DP AR - HBP - 1 UNIT
		20103	MAIN PASS BLOCK 35	0	40	AUG AR 7/19/17 DP AR - LEASE EXPIRED - RELEASE REC'D, WAITING ON 2 OWNERS
		21363	MAIN PASS BLOCK 35 VUA,SL 20482 05/14/2014	239.68	239.68	AUG AR 7/19/17 DP AR - HBP - 1 VU



Louisiana Department of Natural Resources (DNR)

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**Staff Reviews**

Report run on: August 9, 2017 3:01 PM

District Code 1W New Orleans- West  
 Get Review Date August 9, 2017

WELL ID	Field	Lease/Lease Activity	Productive Acreage	Present Acreage	Flagged for Review
02552	BURRWOOD	BURR T RA SU 11/16/2010 850-B 10-1187	128.4	333.2	AUG. AR 7/19/17 DP AR - HBP - 1 UNIT
04219	BAYOU HENRY	UMT SUM;WILBERT E 07/01/1976	2.36	2.4	AUG. AR 7/19/17 DP AR - HBP - 1 UNIT
05986	BAYOU BLEU	32.85 02/08/1984	12.15	12.15	AUG. AR 7/19/17 DP QR - HBP - 1 UNIT, LOW PROD
09637	BOURG	104.26 05/28/1993	393.669	393.669	AUG. QR 7/19/17 DP QR - HBP - 1 UNIT, LOW PROD
12036	BAY BATISTE	211632-SL 12036 SWD-002 05/12/1990	484.897	484.897	AUG. AR 7/19/17 DP AR - HBP - 1 VU
12499	BAY BATISTE	219.46 05/31/1991	150.54	150.54	AUG. AR 7/19/17 DP AR - HBP - 1 VU
13407	MANILA VILLAGE	7.97 01/13/2006	77.21	77.21	AUG. AR 7/19/17 DP AR - HBP - 1 UNIT
14142	NAPOLEONVILLE	STRAY RA SUB;DUGAS-LEBLANC 06/15/1999 140-T	2.7	2.7	AUG. AR 7/19/17 DP AR - HBP - 2 UNITS
14534	SATURDAY ISLAND	223045-VUA;SL 14534-005 05/10/1999	186.87	186.87	AUG. AR 7/19/17 DP AR - HBP - 1 VU, 2 SL WELLS
16709	LITTLE LAKE	82.458 08/26/2002	97.389	97.389	AUG. AR 7/19/17 DP AR - HBP - 1 VU
17140	BAYOU VILLARS		40	306.45	AUG. AR 7/19/17 DP AR - HBP - 1 SL WELL
18603	BAY MARCHAND BLOCK 2 OFFSHORE		101.06	101.06	AUG. QR 7/19/17 DP QR - HBP - 1 SL WELL, LOW PROD
20609	BAYOU SORREL	9.07 06/25/2014	13.93	13.93	AUG. QR 7/19/17 DP QR - 90 DAYS NO PRODUCTION, CURRENTLY HELD BY DOWNHOLE WORK
20936	LAKE SALVADOR, WEST	SL 20936	313.302	313.302	AUG. AR 7/19/17 DP AR - HBP - 1 UNIT
20937	LAKE SALVADOR, WEST	CRIS I RL SUA;SL20937 05/27/2015 1543-A-15 15-333	100	100	AUG. AR 7/19/17 DP AR - HBP - 1 UNIT



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: August 9, 2017 3:01 PM

District Code 2 Lafayette

Get Review Date August 9, 2017

Acres	Unit	County	Latest Lease Acct/Min	Productive Acreage	Present Acreage	Flagged for Review in
00301A	1	CAILLOU ISLAND	249963-CI 38 RA SU;SL 301-400 01/14/2017	0	515.74	AUG AR 7/20/17 AW NO PUGH CLAUSE - AS A RESULT, ACREAGE, THOUGH NONPRODUCTIVE, IS HELD BY PRODUCING WELLS IN DA-0; WELL SHUT-IN
00301A	0	CAILLOU ISLAND	249963-CI 38 RA SU;SL 301-400 01/14/2017	2345	5363.48	AUG AR 7/20/17 AW HBP IN 12 UNITS () AND LEASE WELLS
00334	0	SOUTH PASS BLOCK 24 , VERMILION BAY	1340.157 06/28/2005	2700	3021.018	AUG. AR 7/20/17 AW HBP IN LEASE WELLS
00346		GRAVEYARD ISLAND , LAKE VERRET, WEST	VU C;	132	300	AUG AR 7/20/17 AW HBP IN 9 UNITS (VUC, L RA SU, VUG, VUD, C4 RA SUA, C2A-L RA SUA, G 6C RA SUA, KO RA SU, & G10 RA SUA)
00725		BAY JUNOP	14100 RA SUA;LL&E A 09/01/1997	361	409.78	OCT. AR 7/20/17 AW HBP IN 1 UNIT (VUC)
02856	0	CAILLOU ISLAND	247838-U-W1 RA SUA;SL 2856-013-ALT 04/26/2014	377	806.41	AUG. AR 7/20/17 AW HBP IN 2 UNITS (14800 R080 SUA & U-W1 RA SUA)
03317		LAKE SAND	LSA ROB 5 RA SU  216-C-1	101	255.48	AUG. AR 7/20/17 AW HBP IN 2 UNITS (OP 1 RA SU & ROB 5 RA SU)
05623		JEANERETTE	S B ROANE	14.654	48	AUG. AR 7/20/17 AW HBP IN 2 UNITS (VUA & VUC), NO ROYALTIES LISTED IN DISCOVERER, MINERAL INCOME NOTIFIED
11233		PASS WILSON		212.92	212.92	AUG. AR 7/20/17 AW HBP IN LEASE WELL
14520		MYETTE POINT, NW	551.524 07/14/2010	641.476	641.476	AUG. AR 7/20/17 AW HBP IN 1 UNIT (VUD; SL 14520)
14912		MYETTE POINT, NW	395.376 07/21/2010	148.524	148.524	AUG AR 7/20/17 AW HBP IN 1 UNIT (VUD; SL 14520)
15785		BAY ST ELAINE	45.915 02/09/2009	7.093	7.093	AUG AR 7/20/17 AW HBP IN 1 UNIT (VUB - 2 LUWS)
16790		BAY ST ELAINE	242.979 10/13/2005	196.021	196.021	AUG AR 7/20/17 AW HBP IN 1 UNIT (VUB - 2 LUWS)
17423		PATTERSON	681.811 04/14/2003	7.189	7.189	AUG. AR 7/20/17 AW HBP IN 1 UNIT (R RA SUA)
20920		DUSON	6.019 04/18/2017	2.981	2.981	AUG. AR 7/20/17 AW HBP IN 1 UNIT (HET RA SUA)
20924		BAYOU LONG	107.095 06/20/2016	56.905	56.905	AUG. AR 7/20/17 AW HBP IN 1 UNIT (EOC-TUSC BL UDS SUA)
20925		BAYOU LONG	98.051 06/20/2016	162.949	162.949	AUG. AR 7/20/17 AW HBP IN 1 UNIT (EOC-TUSC BL UDS SUA)
20929		BAYOU LONG	133.65 06/20/2016	81.35	81.35	AUG. AR 7/20/17 AW HBP IN 1 UNIT (EOC-TUSC BL UDS SUA)
20930		BAYOU LONG	55.57 06/20/2016	36.43	36.43	AUG. AR 7/20/17 AW HBP IN 1 UNIT (EOC-TUSC BL UDS SUA)



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: August 9, 2017 3:01 PM

District Code 2 Lafayette

Get Review Date August 9, 2017

SL	Area	State	Productive Acreage	Present Acreage	Flagged for Review In
20946	LAKE BARRE	173.98 04/23/2015	188.88	188.88	AUG AR 7/20/17 AW HBP IN 1 UNIT (VUA; SL 20946)
20960	BAYOU LONG	EOC-TUSC BL UDS SUA;J MIN LLC 07/02/2013 262-T-1 13-292	1.095	1.13	AUG. AR 7/20/17 AW HBP IN 1 UNIT (EOC-TUSC BL UDS SUA)



Louisiana Department of Natural Resources (DNR)

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Staff Reviews

Report run on: August 9, 2017 3:01 PM

District Code 3 Lake Charles- North
Get Review Date August 9, 2017

Table with columns: District Code, Date, Title, Dates of Review/Approval, Productive Acreage, Present Acreage, and Flagged for Review. Contains 20 rows of land review data.

Louisiana Department of Natural Resources (DNR)

**SONRIS**

**Staff Reviews**

Report run on: August 9, 2017 3:01 PM

District Code 3 Lake Charles- North  
 Get Review Date August 9, 2017

Acres	Watershed	Field	Acres (SUC; BSM; AWT; FST; SUO; SUI; CHK; MIN)	Productive Acreage	Present Acreage	Plugged for Review
			21 H 01/27/2009 361-L-20 09-134			HBP 2 PROD UNIT LUW'S 3 PROD WELLS
18951	CATAHOULA LAKE		179.59 07/15/2011	80	80	AUG. AR 7-19-17 SR AR - 100 % HBP 2 PROD UNIT LUW'S 2 PROD WELLS
19768	RED RIVER-BULL BAYOU		HA RD SUDD;AWTBEGOOD 19-14-11H 04/27/2010 109-X-96 10-438	8.02	8.02	AUG. AR 7/19/17 SR AR - 100% HBP LEASE MAINTAINED BY 3 PROD UNIT LUW'S 16 PROD WELLS
19786	ELM GROVE		HA RA SU69;WILLIS ETAL 36 H 06/23/2009 361-L-40	90	90	AUG. AR VACANT STATE LANDS 7/19/17 SR AR - 100 % HBP 1 PROD UNIT LUW 1 PROD WELL
19846	CONVERSE		HA RA SUC;BSM 31 H 04/07/2009 501-G 09-376	40	40	AUG. AR 7/19/17 SR AR - 100 % HBP 2 PROD UNIT LUW'S. 2 PROD WELLS
20141	RED RIVER-BULL BAYOU		HA RC SUI;CHK MIN 11-13-12 H 07/13/2010 109-X-108 10-753	15.65	15.65	AUG. AR TAX ADJUDICATED LAND 7/19/17 SR AR - 100 % HBP 1 PROD UNIT LUW. 7 PROD WELL
20373	CONVERSE		HA RA SUO;SUSTAINABLE FST 11 H 04/07/2009 501-G 09-376	156	156	AUG. AR 7/19/17 SR AR - 100 % HBP 3 PROD UNIT LUW'S 3 PROD WELLS
20404	KING HILL , REDOAK LAKE		158.32 10/19/2012	14.68	14.68	AUG. AR 7/19/17 SR AR - 100% HBP 2 PROD UNIT LUW'S. 3 PROD WELLS
21670				0	40.017	AUG. PT 05/11/2019 7/19/17 SR RENTAL PAID



Louisiana Department of Natural Resources (DNR)

**SONRIS**

**Staff Reviews**

Report run on: August 9, 2017 3:01 PM

District Code 3S Lake Charles- South

Get Review Date August 9, 2017

Acres	Field	Acres (ES) / (RS) / (AD) / (V)	Productive Acreage	Present Acreage	Flagged for Review
04080	LITTLE PECAN LAKE	728.4 07/11/1979	113	292.6	AUG AR 7/19/17 AW HBP IN 1 UNIT 12800 RA SUA)
04183	LITTLE PECAN LAKE	11900 RA SUA; MILLER 07/01/1990	66	304.6	AUG AR 7/19/17 AW HBP IN 1 UNIT (12800 RA SUA)
07715	ELBA	5.365 07/09/2008	9.449	9 449	AUG AR 7/19/17 AW HBP IN 2 UNITS (L WX RA SUD & L WX RA SUC)
07716	ELBA	19 795 07/09/2008	12.864	12 864	AUG AR 7/19/17 AW HBP IN 2 UNITS (L WX RA SUH & L WX RA SUA)
13828	BRANCH	20.43 06/14/1996	2.57	2 57	AUG AR 7/19/17 AW HBP IN 1 UNIT (NB 2 RC SUA)
18155	PROFIT ISLAND	29 05/23/2007	20 892	20 892	AUG AR 7/19/17 AW HBP IN 1 UNIT (19100 TUSC RA SUFF); ISSUE WITH ROYALTIES, CONTACTED MINERAL INCOME
19095	SABINE LAKE, SOUTH		212.52	212.52	AUG AR 7/19/17 AW HBP IN LEASE WELL
<b>81</b>			<b>14,271.667</b>	<b>21,420.886</b>	



**b) NOMINATION AND TRACT REPORT**  
**August 9, 2017**

The Board heard the report of Mr. Emile Fontenot presented at 9:34 a.m. on Wednesday August 9, 2017 regarding nominations received in the Office of Mineral Resources for the September 13, 2017 Mineral Lease Sale and other matters. Mr. Fontenot reported that they did not receive any nominations at the Office of Mineral Resources for the October 11, 2017 Mineral Lease Sale. No action was needed by The Board.

**c) AUDIT REPORT**  
**August 9, 2017**

The first matter on the audit report was a recoupment request from Badger Energy, LLC.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Bradberry, the Board voted unanimously to approve the recoupment request of \$28,904.87. (Resolution 17-08-002)

The second matter considered by the Board was a request to place BHP Billiton (WSF, Inc.) on demand for outstanding interest and penalty billings.

At the request of Staff, no action was taken by the Board on this matter as it was resolved before the meeting.

The third matter considered by the Board was a request to place BHP Billiton (Petrohawk, Inc.) on demand for outstanding interest and penalty billings.

At the request of Staff, no action was taken by the Board on this matter as it was resolved before the meeting.

The fourth matter considered by the Board was a request to place BHP Billiton (Petrohawk, Inc.) on demand for outstanding penalty billings.

At the request of Staff, no action was taken by the Board on this matter as it was resolved before the meeting.

The fifth matter on the audit report was the election of the August 2017 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**  
**August 9, 2017**

The first matter considered by the State Mineral and Energy Board (Board) was a request for final approval of a Settlement and Release Agreement by and between Yuma Exploration and Production Company, Inc., Delacroix Corporation (Delacroix), and the State of Louisiana acting through its agent, the Louisiana State Mineral and Energy Board (State), to provide for the allocation of production and/or proceeds, regarding the minerals lying under Tract 4 (approximately 24.053 acres) and Tract 5 (approximately 140.399 acres) of the UL-5 RD SUA Unit, affecting State Lease No. 18514, located in Township 16 South, Range 14 East, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument. This item was duly advertised and appeared on Docket as Item 17-29.

Upon motion of Mr. Arnold, seconded by Mr. Hollenshead, and by unanimous vote of the Board, the State Mineral and Energy Board approved the aforementioned request for final approval of the Settlement and Release Agreement. No comments were made by the public.

The second matter considered by the Board was a request from DNR Legal Staff and the Attorney General's Office for an extension of authority to escrow funds for one (1) year from the date of the August 2017 State Mineral and Energy Board Meeting on funds subject to a title dispute between the State and LL&E that are derived from production on acreage in the 86 RA SUA, State Lease 21092 #1, West Bay St. Elaine Field, Terrebonne Parish, Louisiana.

Upon motion of Mr. Arnold, seconded by Mr. Bradberry, and by unanimous vote of the Board, the State Mineral and Energy Board granted an extension of authority to escrow funds for one (1) year through the August 2018 Board Meeting or the date of the next meeting of the Board thereafter, should it not meet that month, for the aforementioned title dispute. No comments were made by the public.

The third matter considered by the Board was a notice of title dispute and request from Krewe Energy, LLC for authority to escrow royalty payments attributable from the first date of production to Unit Tracts 1 through 7 and Tracts 13 through 21 of the BOURG B SUI, Conservation Order-416-F-4, located in Lapeyrouse Field, Terrebonne Parish, Louisiana.

Upon motion of Mr. Arnold, seconded by Mr. Watkins, the State Mineral and Energy Board granted authority to Krewe Energy, LLC to escrow royalties from the first date of production to the February 14, 2018 Board Meeting or the date of the next meeting of the Board thereafter, should it not meet that month, for the aforementioned title dispute. No comments were made by the public.

The fourth matter considered by the Board was a notice of title dispute and request from Krewe Energy, LLC for authority to escrow royalty payments attributable from the first date of production to Unit Tracts 4A and 6A of the Exposito B RF SUA, Conservation Order No. 416-C-12, located in Lapeyrouse Field, Terrebonne Parish, Louisiana.

Upon motion of Mr. Hollenshead, seconded by Mr. Arnold, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Krewe Energy, LLC to escrow royalties from the first date of production to the February 14, 2018 Board Meeting or the date of the next meeting of the Board thereafter, should it not meet that month, for the aforementioned title dispute. No comments were made by the public.

The fifth matter considered by the Board was a request by Jeffrey Lieberman, attorney with Liskow & Lewis, on behalf of Aethon United BR LP and PEO Haynesville Holdco, LLC for a full waiver of the \$23,700.00 liquidated damage assessment for failure to timely file a partial release of State Lease No. 18181.

Upon motion of Mr. Arnold, seconded by Mr. Hollenshead, and by unanimous vote of the Board, the State Mineral and Energy Board, based on Board protocol, granted a full waiver of liquidated damage assessment on the aforementioned \$23,700.00 liquidated damage assessment. No comments were made by the public.

The sixth matter considered by the Board was a request from Sylvan Energy, LLC to waive the \$61,800.00 liquidated damage assessment for failure to file a timely partial release (618 days late) of six (6) acres of State Lease No. 20920.

Mr. Joey Landry, a representative for Sylvan Energy, LLC addressed the Board. Ms. Theresa Wood with Acadian Land Services in Lafayette, Louisiana, addressed the Board to request a copy of the letter submitted by Sylvan Energy, LLC. Mr. Arnold supplied Ms. Wood with a copy of the letter from his binder. A copy of the letter is attached and hereby made a part of these minutes.

Upon motion of Mr. Arnold, seconded by Mr. Harris, and opposed by Mr. Haik, the State Mineral and Energy Board, based on Board protocol, granted a reduction of liquidated damage assessment based on the Board's criteria from \$61,800.00 to \$5,508.00 to Sylvan Energy, LLC.

The seventh matter considered by the Board was a request from OMR Staff for an extension of authority to negotiate the terms of an Operating Agreement on unleased State acreage in Sections 29 and 30, Township 16 North, Range 11 West, Bossier Parish, Louisiana (formerly State Lease No. 17732) released by J-W Operating Company within the HA RA SU 127 and the CV RA SU 45, Elmwood Field, Bossier Parish, Louisiana, until November 8, 2017. OMR Staff further requests that the unleased State acreage be removed from commerce and unavailable for leasing until the November 8, 2017 Board Meeting, or until an Operating Agreement is confected and approved by the Board, whichever occurs first.

Upon motion of Mr. Arnold, seconded by Mr. Bradberry, and by unanimous vote of the Board, the State Mineral and Energy Board granted the aforementioned extension of authority and removal of acreage from commerce until the November 8, 2017 Board Meeting, or until an Operating Agreement is confected and approved by the Board, whichever occurs first.

The eighth matter considered by the Board was a presentation by Mr. Blake Canfield, DNR Legal Staff summarizing legislation affecting the State Mineral and Energy Board, the Office of Mineral Resources, and their respective duties, responsibilities, and functions that were considered during the Louisiana Legislature's 2017 Regular Session and the First and Second Extraordinary Sessions of 2017.

The ninth matter considered by the Board was a discussion of a new timeline schedule for review of the proposed new lease form.

OMR Assistant Secretary Jamie Manuel stated that his intentions are to review the document, make revisions to the document, and meet internally with Staff over the next couple of months to get a complete final draft to publish to the Board Members and industry in October.

Mr. Manuel continued that he would like to set up some work days in October, November, and December for the Board, industry, and the public to meet with Staff lawyers to meet with OMR Staff to get the document into a near-final form. He stated that when the approval process is started in the Board Meetings in February, the issues debated should be smaller in number and efficiently settled. He continued that after the approval process is completed, we will hopefully have a useable document that we can start leasing on in the spring.

Mr. Haik stated that a Resolution be proposed to change the procedure that was initially adopted by the Board. He continued that he wanted to know if Mr. Manuel would be changing the Articles that the Board had approved in principle and, if so, what those changes were.

Mr. Haik stated that that he wants to make sure the public and the Mineral Board is involved or at least given the opportunity to respond; that any and all private organizations that have anything to do with oil and gas are specifically notified and that it is not just publicized. That the Louisiana Land Association will get an invitation, as well as the Louisiana Oil and Gas Association, or any other organizations that are affected by the adoption of this new lease.

He continued that he wants plenty of transparency and that there be a Resolution or motion changing the process that has already been adopted by the Mineral Board. Mr. Haik stated that when the Board acts and there is a suggested change to the Board's action, the proper procedure should be that the Board needs to adopt that in such a way that is either in agreement or disagreement with the suggested change.

Mr. Bradberry asked Assistant Secretary Manuel if he intended to change any of the Articles. Mr. Manuel stated that there was no intent to revise the Articles that have been approved in principle by the Board, but if found necessary that there could be changes and revisions to those articles.

Mr. Bradberry asked Mr. Manuel if the Board will have a chance to vote on the final document. Mr. Manuel stated that he will be the keeper of the document and the Board will have the opportunity to see any changes that Staff makes in different ink color in the Article on the document versus its color in the past.

Ms. LeBlanc asked Mr. Manuel if the Board will be able to approve all of changes to the document before it is published. Mr. Manuel replied that the document will be published in draft form in October and then a review process will begin.

A motion was made by Mr. Segura and seconded by Mr. Haik to amend Resolution #17-07-015 approved at the July 12, 2017 Board Meeting, granting an extension to Assistant Secretary Manuel to submit a new timeline schedule for review of the remaining articles of the proposed new lease form to the Board at the October 11, 2017 Board Meeting for Board approval. Mr. Haik requested that Staff notify the Board of Staff's future meetings for review of the new lease form.

During the State Mineral and Energy Board Meeting, the Legal and Title Controversy Report was revisited in reference to the ninth matter as stated below.

The Board unanimously approved the previous motion for the ninth matter by Mr. Segura, seconded by Mr. Haik, to amend Resolution #17-07-015 approved at the July 12, 2017 Board Meeting, granting an extension to Assistant Secretary Manuel to submit a new timeline schedule for review of the remaining articles of the proposed new lease form to the Board at the October 11, 2017 Board Meeting for Board approval. No comments were made by the public.

**e) DOCKET REPORT**  
**August 9, 2017**  
(Resolution Nos. 17-08-011 thru 17-08-020)

The Board heard the report of Emile Fontentot on Wednesday, August 9, 2017, 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 9
- Category C: Department of Wildlife & Fisheries State Agency Lease Transfers  
There were no items for this category
- Category D: Advertised Proposals  
Docket Item No. 1

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

- Category B: State Lease Transfers  
Approve Docket Item Nos. 1 through 9 and Approve Docket No. 5 subject to the approval of the Governor.
- Category D: Advertise Proposals  
Approve Docket Item Nos. 17-29, upon recommendation of the Legal and Title Controversy Review.

The Chairman stated that the next order of business was discussions in Executive Session to consider matters before the Board which were confidential in nature. Upon motion of Mr. Arnold, seconded by Mr. Bradberry, the Board Members went into Executive Session at 11:25 a.m.

Upon motion of Mr. Arnold, seconded by Mr. Harris, the Board reconvened in open session at 11:45 a.m. for consideration of the following matters discussed in Executive Session:

**VI. EXECUTIVE SESSION**  
(Resolution Nos. 17-08-021 thru 17-08-022)

A request was made by the Attorney General's office to add the following item to the discussions to be held in Executive Session:

A discussion in Executive Session regarding the Chapter 11 Bankruptcy Case of Northstar Offshore Group, LLC, Case No. 16-34028, United States Bankruptcy Court, Southern District of Texas, Houston Division.

Upon motion of Mr. Arnold, seconded by Mr. Harris, and upon a roll call vote, the Board voted unanimously to add the item regarding the Chapter 11 Bankruptcy Case of Northstar Offshore Group, LLC, Case No. 16-34028, United States Bankruptcy Court, Southern District of Texas, Houston Division to Executive Session which is referred to as the fourth matter (item "d") discussed in Executive Session. No comments were made by the public.

a. A discussion regarding settlement of outstanding audit issues with Milagro

Upon motion of Mr. Harris, seconded by Ms. LeBlanc, the Board voted unanimously to grant authority to the Attorney General's office to resolve this matter as discussed in Executive Session. No comments were made by the public. (Resolution No. 17-08-021)

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

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

c. An update on negotiations to settle outstanding audit issues with Tana Exploration Company, LLC

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



d. A discussion regarding the Chapter 11 Bankruptcy Case of Northstar Offshore Group, LLC, Case No. 16-34028, United States Bankruptcy Court, Southern District of Texas, Houston Division

Upon motion of Mr. Arnold, seconded by Mr. Watkins, the Board voted unanimously to grant authority to the Attorney General's office to negotiate issues related to outstanding audits. No comments were made by the public. (Resolution No. 17-08-022)

e. Technical Briefing on Bids

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

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

Mr. Miller stated that Staff recommends that the bids received on Tract Nos. 44764, 44765, 44766, 44768, 44773, and 44774 be accepted and reject the bid received on Tract No. 44770 for improper bid and open it to the floor as it did not meet the statutory minimum.

## **VII. AWARDING OF LEASES**

Upon motion by Mr. Arnold, seconded by Mr. Hollenshead, the Board unanimously voted to:

1. Accept the bid and award a lease on Tract No. 44764 to SWN PRODUCTION COMPANY, LLC
2. Accept the bid and award a lease on Tract No. 44765 to THEOPHILUS OIL, GAS & LAND SERVICES, LLC
3. Accept the bid and award a lease on Tract No. 44766 to DUNN EXPLORATION COMPANY, LLC
4. Accept the bid and award a lease on Tract No. 44768 to ACADIAN LAND SERVICES, L.L.C.
5. Reject the portion bid on Tract No. 44770 for improper bid and extend the Agenda to include oral bidding from the floor. (Note: An oral bid was submitted and subsequently awarded on this tract to SUN SHALE VENTURES, INC.)
6. Accept the bid and award a lease on Tract No. 44773 to SENTRY ENERGY SERVICES, LLC

7. Accept the bid and award a lease on Tract No. 44774 to SENTRY ENERGY SERVICES, LLC

Upon motion of Mr. Arnold, seconded by Mr. Hollenshead, Tract No. 44770 was opened to the floor.

Upon request for bidding on Tract No. 44770, Mr. Gerald Schwarz representing Sun Shale Ventures, Inc. and Pinnacle Energy International (USA) I LLC came forward and offered the following:

Tract 44770  
(Portion Bid: 1,000 acres)

Bidder	:	SUN SHALE VENTURES, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$175,000.00
Annual Rental	:	\$87,500.00
Royalties	:	21.00000% on oil and gas
	:	21.00000% on other minerals
Additional Consideration	:	None

There being no other bidders on this tract, upon motion by Mr. Arnold, seconded by Ms. LeBlanc, and based on Staff's recommendations, the Board unanimously voted to award a lease on Tract No. 44770 to Sun Shale Ventures, Inc.

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.

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

### VIII. NEW BUSINESS

A presentation was made by the Attorney General's office regarding the treatment of state royalty claims in bankruptcy as "rent" instead of "property" of the state.

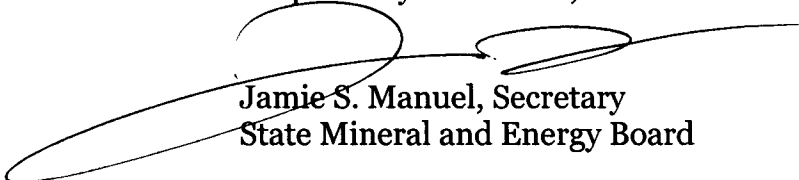
**IX. ANNOUNCEMENTS**

Mr. Manuel stated that there were seven (7) leases awarded totaling \$214,435.00 for the August 9, 2017 Lease Sale and that the fiscal year total is \$1,927,003.80.

**X. ADJOURNMENT**

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Arnold, seconded by Mr. Hollenshead, the meeting was adjourned at 11:52 a.m.

Respectfully Submitted,



Jamie S. Manuel, Secretary  
State Mineral and Energy Board

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## Resolution #17-08-001 (LEASE REVIEW)

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

**WHEREAS**, Mr. Bradbury of the Office of Mineral Resources made a report of a timely force majeure request by Standard Operating, LLC ("Standard") affecting State Leases 2102 and 20609 and Operating Agreement A0333 in Bayou Sorrel Field, Lafourche Parish, Louisiana; and,

**WHEREAS**, on May 25, 2017, Standard was forced to discontinue downhole reworking operations and more the rig off location due to rising flood waters making it unsafe to continue operations; and,

**WHEREAS**, Mr. Bradbury monitored the water levels and determined that on July 1, 2017 it was once again safe to begin returning to continue downhole reworking operations; and,

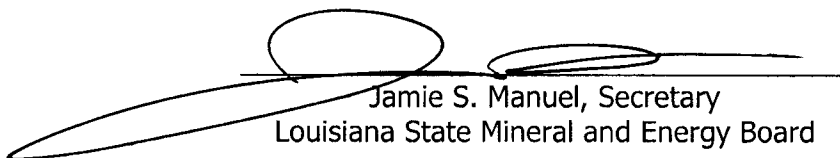
**WHEREAS**, in accordance with and under authority granted by the 2005 SMEB Policy, Mr. Bradbury recognized the force majeure event, temporarily suspended the 90 day continuous operations clause under the lease for the period of May 25, 2017 through July 1, 2017, and in addition notified that Standard has 90 days from July 1, 2017 or until September 29, 2017 to re-establish downhole drilling or reworking operations or production in paying quantities; and,

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

**NOW THEREFORE BE IT RESOLVED** the SMEB confirms the Office of Mineral Resources recognition of the force majeure event affecting State Leases 2012 and 20609 and Operating Agreement A0333 for the period of May 25, 2017 through July 1, 2017 due to rising flood waters and concurs with the temporary suspension of the 90 day continuous operations clause within the affected leases and operating agreement.

### CERTIFICATE

I hereby certify that the above is true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on August 9, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Badger Energy, LLC  
Recoupment

## RESOLUTION #17-08-02 (AUDIT REPORT)

**WHEREAS**, a letter of application was made by Badger Energy, LLC for a credit adjustment of \$28,904.87 for the Lake Washington Field, State Lease Nos. 02028, and 20984 which gas royalties were paid based on incorrect volumes and values for the period of February 2014

**WHEREAS**, the Mineral Income Division has verified that an overpayment in the amount of \$28,904.87 was made and that the applicant is entitled to a credit adjustment; and

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

**NOW, BE IT THEREFORE RESOLVED** that the Board does hereby authorize and direct the Mineral Income Director to effectuate the credit adjustment of \$28,904.87 to Badger Energy, LLC on a one-time or lump sum basis or on such terms deemed necessary by the Director, which are legally permissible, and without prejudice to any other rights of 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 9<sup>th</sup> day of August, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Louisiana State Mineral and Energy Board and is now in full force and effect.



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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #17-08-003

(LEGAL & TITLE CONTROVERSY REPORT)

Yuma Exploration & Production, Inc.,  
Delacroix Corporation, & State of LA  
– Request for final approval of  
Settlement and Release Agreement

**WHEREAS**, a request was made for final approval of a Settlement and Release Agreement by and between Yuma Exploration and Production Company, Inc., Delacroix Corporation (Delacroix), and the State of Louisiana acting through its agent, the Louisiana State Mineral and Energy Board for the allocation of production and/or proceeds, regarding the minerals lying under Tract 4 (approximately 24.053 acres) and Tract 5 (approximately 140.399 acres) of the UL-5 RD SUA Unit, affecting State Lease No. 18514, located in Township 16 South, Range 14 East, Plaquemines Parish, Louisiana; and

**WHEREAS**, the Settlement and Release Agreement further stipulates that future production from or allocable to Tract 4 shall be allocated 100% to the State and 0% to Delacroix and future production from or allocable to Tract 5 shall be allocated 10% to the State and 90% to Delacroix, with further particulars being stipulated in the instrument. This item was duly advertised and appeared on Docket as Item No. 17-29; and

**WHEREAS**, the Legal Staff and the Attorney General's Office, upon thorough review and consideration, recommended that the foregoing request be approved by the Board;

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

**NOW THEREFORE, BE IT RESOLVED** that the Board does hereby grant final approval of a Settlement and Release Agreement by and between Yuma Exploration and Production Company, Inc., Delacroix Corporation, and the State of Louisiana acting through its agent, the Louisiana State Mineral and Energy Board, as stated above.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of August, 2017 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

Talos Gulf Coast Onshore LLC  
ESCROW EXTENSION  
State Lease No. 21092 #1

## RESOLUTION #17-08-004

### (LEGAL & TITLE CONTROVERSY REPORT)

**WHEREAS**, pursuant to La. R.S. 30:121, the State Mineral and Energy Board (Board) shall administer the State of Louisiana's (State) proprietary interest in the minerals in and upon the lands and water bottoms belonging to the State or the title to which is in the public trust; and

**WHEREAS**, pursuant to La. R.S. 30:124, the Board has authority to lease such lands and water bottoms for the development and production of minerals, oil, gas or alternative energy sources; and

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

**WHEREAS**, disputes regarding the ownership of minerals to which the State claims title periodically occur and Lessee are required to promptly notify the Office of Mineral Resources (OMR) of adverse claims by any individual or entity not a party to a State Lease; and

**WHEREAS**, by Resolution #15-06-016, dated June 10, 2015, the Board continued the practice of permitting Lessee to request authority to escrow royalties on title disputed lands under lease by the State; and

**WHEREAS**, on June 16, 2014, GCER Onshore, LLC (Lessee) notified OMR that a *bona fide* dispute exists due to an adverse claim regarding the ownership or title to all or a portion of the premises under lease by the State within the 86 RA SUA Unit affecting State Lease No. 21092 in Terrebonne Parish, Louisiana, and requested authorization to deposit the royalty payments due on the production attributable to the disputed acreage into an escrow account in lieu of making such payments directly to OMR as required by the State Lease; and

**WHEREAS**, the Board, by Resolution dated July 9, 2014, granted Lessee authority to escrow royalty payments for a period of ninety (90) days from that date; and

**WHEREAS**, the Board, by Resolution dated October 8, 2014, granted Lessee an extension of this escrow authority for a period not to exceed November 12, 2014; and

**WHEREAS**, the Board, by Resolution dated November 12, 2014, granted Lessee a second extension of this escrow authority for a fixed term of one hundred eighty (180) days from that date; and

**WHEREAS**, the Board, by Resolution No. 15-06-013, dated June 10, 2015, granted Lessee an extension of this escrow authority for a fixed term of one hundred twenty (120) days, retroactive to April 7, 2015, and continuing through August 4, 2015; and

**WHEREAS**, the Board, by Resolution No. 15-08-019, dated August 12, 2015, granted Lessee an extension of this escrow authority commencing August 4, 2015 and continuing through the February 2016 Board Meeting (or the date of the next meeting of the Board thereafter, should it not meet that month); and

**WHEREAS**, the Board, by Resolution No. 16-02-006, dated February 10, 2016, granted Lessee an extension of this escrow authority commencing February 10, 2016 and continuing through the August 10, 2016 Board Meeting (or the date of the next meeting of the Board thereafter, should it not meet that month); and

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**RESOLUTION #17-08-004**  
**(LEGAL & TITLE CONTROVERSY REPORT)**

**WHEREAS**, the Board, on June 16, 2016, Talos Gulf Coast Onshore, LLC (successor to GCER Onshore, LLC) requested a one (1) year extension of the previously granted escrow authority to afford the interested parties additional time to negotiate an amicable resolution of the adverse claim; and

**WHEREAS**, the Board, by Resolution No. 16-08-012, dated August 10, 2016, granted Lessee an extension of this escrow authority commencing August 10, 2016 and continuing through the August 9, 2017 Board Meeting (or the date of the next meeting of the Board thereafter, should it not meet that month); and

**WHEREAS**, in response to this request for an extension of the escrow authority, OMR Staff offered the following recommendation for consideration by the Board:

That the State Mineral and Energy Board approve the request for an extension of this escrow authority, commencing August 9, 2017 and continuing through the August 8, 2018 Board Meeting (or the date of the next meeting of the Board thereafter, should it not meet that month), to allow the interested parties additional time to further pursue resolution of the adverse claim, which authority should be granted subject to the standard escrow procedure and requirements established by OMR.

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

**NOW THEREFORE, BE IT RESOLVED** that the request for extension of the escrow authority previously granted by Resolution No. 16-08-012 is hereby approved.

**BE IT FURTHER RESOLVED:**

- 1) Lessee is hereby authorized to suspend the direct payment of royalties to OMR on the disputed acreage related to the 86 RA SUA Unit affecting State Lease No. 21092 #1, West Bay St. Elaine Field in Terrebonne Parish, Louisiana;
- 2) The escrow authority extended hereby is effective August 9, 2017 and continuing through the August 8, 2018 Board meeting (or the date of the next meeting of the Board thereafter, should it not meet that month), to allow the interested parties time to evaluate and resolve the adverse claim;
- 3) The escrow authority extended hereby is contingent upon Lessee's compliance with the standard escrow procedure and requirements established by OMR;
- 4) The deposit of royalties into the escrow account shall be accepted by the Board as the royalty payments required by the State Lease, and Lessee shall not be held in default of payment of its royalty obligation owed the State as long as deposits are timely and properly made as required by the State Lease into the escrow account; and
- 5) The Board reserves the right to audit the royalty payments deposited into the escrow account and further reserves all audit rights authorized by the State Lease.

**BE IT FURTHER RESOLVED:**

- 1) Lessee shall continue to maintain a separate, interest bearing escrow account at a FDIC insured financial institution having a presence in the State of Louisiana;
- 2) Throughout the extended escrow period, Lessee shall continue to timely provide fully completed SR-9 Reports (and any other requested documents) to OMR;
- 3) Throughout the extended escrow period, Lessee shall continue to timely deposit the properly calculated and reported royalty payments attributable to the disputed acreage into the escrow account;
- 4) Throughout the extended escrow period, Lessee shall continue to provide documentation (copies of deposited checks, deposit receipts or monthly bank statements) of the timely deposit of royalty payments into the escrow account;

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**RESOLUTION #17-08-004**  
**(LEGAL & TITLE CONTROVERSY REPORT)**



- 5) Throughout the extended escrow period, Lessee shall continue to cooperate, in good faith, with OMR's efforts to negotiate a royalty sharing agreement or other amicable resolution of the title dispute with the adverse claimant(s);
- 6) If the ownership/title dispute is amicably resolved prior to expiration of the extended escrow period, the royalty payments on deposit and interest thereon accumulating in the escrow account shall be timely distributed in accordance with the negotiated resolution;
- 7) If the ownership/title dispute is not amicably resolved prior to expiration of the authorized escrow extension, Lessee shall, within fifteen (15) calendar days of expiration:
  - a) Resume direct payment of royalties to OMR and transfer all royalty payments, including interest, on deposit in the escrow account to OMR; or
  - b) Invoke a concursus proceeding, transfer all royalty payments, including interest, on deposit in the escrow account into the Registry of the Court and continue the direct payment of royalties into the Registry of the Court through adjudication of the dispute;
- 8) Lessee shall not transfer nor release any funds, including interest, on deposit in the escrow account authorized by this Resolution without the knowledge and written approval of OMR; and
- 9) All charges and expenses in connection with the creation and maintenance of the escrow account authorized hereby are to be borne by Lessee.

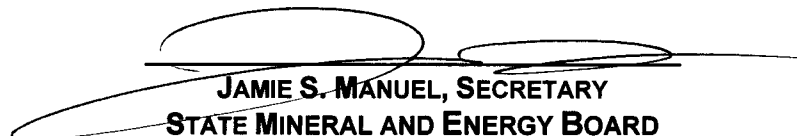
**BE IT FURTHER RESOLVED** that Lessee is obligated to continue to strictly comply with the requirements applicable to the original and extended escrow authority in accordance with the requirements set forth herein and as required by OMR. Lessee's failure to:

- 1) Timely create the escrow account; or
- 2) Timely deposit royalty payments into the escrow account; or
- 3) Timely provide required reports and documentary proof of deposits; or
- 4) Timely invoke a concursus proceeding or resume direct payment of royalties to OMR upon expiration of the escrow authority;

may result in the escrow authority granted hereby being rendered null and void *ab initio* by the Board, thus subjecting Lessee to the penalties and interest authorized by law and the State Lease.

**CERTIFICATE**

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of August, 2017 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**

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**RESOLUTION #17-08-004**  
**(LEGAL & TITLE CONTROVERSY REPORT)**

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #17-08-005

### (LEGAL & TITLE CONTROVERSY REPORT)

Krewe Energy, LLC – Notice of Title  
Dispute & Request to Escrow  
Royalty Payments from First Date of  
Production: Unit Tracts 1-7 & Tracts  
13-21 of BOURG B SUI

**WHEREAS**, pursuant to La. R.S. 30:121, the State Mineral and Energy Board (Board) shall administer the State of Louisiana's (State) proprietary interest in the minerals in and upon the lands and water bottoms belonging to the State or the title to which is in the public trust; and

**WHEREAS**, pursuant to La. R.S. 30:124, the Board has authority to lease such lands and water bottoms for the development and production of minerals, oil, gas or alternative energy sources; and

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

**WHEREAS**, disputes regarding the ownership of minerals to which the State claims title periodically occur and Lessees are required to promptly notify the Office of Mineral Resources (OMR) of adverse claims by any individual or entity not a party to a State Lease; and

**WHEREAS**, by Resolution #15-06-016, dated June 10, 2015, the Board continued the practice of permitting Lessees to request authority to escrow royalties on title disputed lands under lease by the State; and

**WHEREAS**, Krewe Energy, LLC requests authority to escrow royalty payments from the first date of production attributable from a title dispute within Unit Tracts 1 through 7 and Tracts 13 through 21 of the BOURG B SUI, Conservation Order-416-F-4, located in Lapeyrouse Field, Terrebonne Parish, Louisiana; and

**WHEREAS**, it is advantageous to the State for the Board to grant this request for an extension of this escrow authority for a fixed duration of time, as an alternative to litigation, during which the adverse claim will be evaluated by the interested parties and effort made to negotiate an amicable resolution; and

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

That the State Mineral and Energy Board approve the request for authority to escrow royalty payments from the first date of production and continuing through the February 14, 2018 Board Meeting (or the date of the next meeting of the Board thereafter, should it not meet that month), to allow the interested parties additional time to further pursue resolution of the adverse claim, which authority should be granted subject to the standard escrow procedure and requirements established by OMR.

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

**NOW THEREFORE, BE IT RESOLVED** that the request to escrow royalty payments from the first date of production and continuing through the February 14, 2018 Board Meeting (or the date of the next meeting of the Board thereafter, should it not meet that month) is hereby approved.

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**RESOLUTION #17-08-005**  
**(LEGAL & TITLE CONTROVERSY REPORT)**

**BE IT FURTHER RESOLVED:**

- 1) Lessee is hereby authorized to suspend the direct payment of royalties to OMR on the disputed acreage related to the title dispute within Unit Tracts 1 through 7 and Tracts 13 through 21 of the BOURG B SUI, Conservation Order-416-F-4, located in Lapeyrouse Field, Terrebonne Parish, Louisiana;
- 2) The escrow authority extended hereby is effective from the first date of production and continuing through the February 14, 2018 Board meeting (or the date of the next meeting of the Board thereafter, should it not meet that month), to allow the interested parties time to evaluate and resolve the adverse claim;
- 3) The escrow authority extended hereby is contingent upon Lessee's compliance with the standard escrow procedure and requirements established by OMR;
- 4) The deposit of royalties into the escrow account shall be accepted by the Board as the royalty payments required by the State Lease, and Lessee shall not be held in default of payment of its royalty obligation owed the State as long as deposits are timely and properly made as required by the State Lease into the escrow account; and
- 5) The Board reserves the right to audit the royalty payments deposited into the escrow account and further reserves all audit rights authorized by the State Lease.

**BE IT FURTHER RESOLVED:**

- 1) Lessee shall continue to maintain a separate, interest bearing escrow account at a FDIC insured financial institution having a presence in the State of Louisiana;
- 2) Throughout the extended escrow period, Lessee shall continue to timely provide fully completed SR-9 Reports (and any other requested documents) to OMR;
- 3) Throughout the extended escrow period, Lessee shall continue to timely deposit the properly calculated and reported royalty payments attributable to the disputed acreage into the escrow account;
- 4) Throughout the extended escrow period, Lessee shall continue to provide documentation (copies of deposited checks, deposit receipts or monthly bank statements) of the timely deposit of royalty payments into the escrow account;
- 5) Throughout the extended escrow period, Lessee shall continue to cooperate, in good faith, with OMR's efforts to negotiate a royalty sharing agreement or other amicable resolution of the title dispute with the adverse claimant(s);
- 6) If the ownership/title dispute is amicably resolved prior to expiration of the extended escrow period, the royalty payments on deposit and interest thereon accumulating in the escrow account shall be timely distributed in accordance with the negotiated resolution;
- 7) If the ownership/title dispute is not amicably resolved prior to expiration of the authorized escrow extension, Lessee shall, within fifteen (15) calendar days of expiration:
  - a) Resume direct payment of royalties to OMR and transfer all royalty payments, including interest, on deposit in the escrow account to OMR; or
  - b) Invoke a concursus proceeding, transfer all royalty payments, including interest, on deposit in the escrow account into the Registry of the Court and continue the direct payment of royalties into the Registry of the Court through adjudication of the dispute;
- 8) Lessee shall not transfer nor release any funds, including interest, on deposit in the escrow account authorized by this Resolution without the knowledge and written approval of OMR; and
- 9) All charges and expenses in connection with the creation and maintenance of the escrow account authorized hereby are to be borne by Lessee.

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**RESOLUTION #17-08-005**  
**(LEGAL & TITLE CONTROVERSY REPORT)**

**BE IT FURTHER RESOLVED** that Lessee is obligated to continue to strictly comply with the requirements applicable to the original and extended escrow authority in accordance with the requirements set forth herein and as required by OMR. Lessee's failure to:

- 1) Timely create the escrow account; or
- 2) Timely deposit royalty payments into the escrow account; or
- 3) Timely provide required reports and documentary proof of deposits; or
- 4) Timely invoke a concursus proceeding or resume direct payment of royalties to OMR upon expiration of the escrow authority;

may result in the escrow authority granted hereby being rendered null and void *ab initio* by the Board, thus subjecting Lessee to the penalties and interest authorized by law and the State Lease.

**CERTIFICATE**

***I HEREBY CERTIFY*** that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of August, 2017 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**

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**RESOLUTION #17-08-005  
(LEGAL & TITLE CONTROVERSY REPORT)**

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #17-08-006

(LEGAL & TITLE CONTROVERSY REPORT)

Krewe Energy, LLC – Notice of Title  
Dispute & Request to Escrow  
Royalty Payments from First Date of  
Production: Unit Tracts 4A & 6A,  
Exposito B RF SUA

**WHEREAS**, pursuant to La. R.S. 30:121, the State Mineral and Energy Board (Board) shall administer the State of Louisiana's (State) proprietary interest in the minerals in and upon the lands and water bottoms belonging to the State or the title to which is in the public trust; and

**WHEREAS**, pursuant to La. R.S. 30:124, the Board has authority to lease such lands and water bottoms for the development and production of minerals, oil, gas or alternative energy sources; and

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

**WHEREAS**, disputes regarding the ownership of minerals to which the State claims title periodically occur and Lessees are required to promptly notify the Office of Mineral Resources (OMR) of adverse claims by any individual or entity not a party to a State Lease; and

**WHEREAS**, by Resolution #15-06-016, dated June 10, 2015, the Board continued the practice of permitting Lessees to request authority to escrow royalties on title disputed lands under lease by the State; and

**WHEREAS**, Krewe Energy, LLC requests authority to escrow royalty payments from the first date of production attributable from a title dispute within Unit Tracts 4A and 6A of the Exposito B RF SUA, Conservation Order-416-C-12, located in Lapeyrouse Field, Terrebonne Parish, Louisiana; and

**WHEREAS**, it is advantageous to the State for the Board to grant this request for an extension of this escrow authority for a fixed duration of time, as an alternative to litigation, during which the adverse claim will be evaluated by the interested parties and effort made to negotiate an amicable resolution; and

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

That the State Mineral and Energy Board approve the request for authority to escrow royalty payments from the first date of production and continuing through the February 14, 2018 Board Meeting (or the date of the next meeting of the Board thereafter, should it not meet that month), to allow the interested parties additional time to further pursue resolution of the adverse claim, which authority should be granted subject to the standard escrow procedure and requirements established by OMR.

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

**NOW THEREFORE, BE IT RESOLVED** that the request to escrow royalty payments from the first date of production and continuing through the February 14, 2018 Board Meeting (or the date of the next meeting of the Board thereafter, should it not meet that month) is hereby approved.

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**RESOLUTION #17-08-006**  
**(LEGAL & TITLE CONTROVERSY REPORT)**

**BE IT FURTHER RESOLVED:**

- 1) Lessee is hereby authorized to suspend the direct payment of royalties to OMR on the disputed acreage related to the title dispute within Unit Tracts 4A and 6A of the Exposito B RF SUA, Conservation Order-416-C-12, located in Lapeyrouse Field, Terrebonne Parish, Louisiana;
- 2) The escrow authority extended hereby is effective from the first date of production and continuing through the February 14, 2018 Board meeting (or the date of the next meeting of the Board thereafter, should it not meet that month), to allow the interested parties time to evaluate and resolve the adverse claim;
- 3) The escrow authority extended hereby is contingent upon Lessee's compliance with the standard escrow procedure and requirements established by OMR;
- 4) The deposit of royalties into the escrow account shall be accepted by the Board as the royalty payments required by the State Lease, and Lessee shall not be held in default of payment of its royalty obligation owed the State as long as deposits are timely and properly made as required by the State Lease into the escrow account; and
- 5) The Board reserves the right to audit the royalty payments deposited into the escrow account and further reserves all audit rights authorized by the State Lease.

**BE IT FURTHER RESOLVED:**

- 1) Lessee shall continue to maintain a separate, interest bearing escrow account at a FDIC insured financial institution having a presence in the State of Louisiana;
- 2) Throughout the extended escrow period, Lessee shall continue to timely provide fully completed SR-9 Reports (and any other requested documents) to OMR;
- 3) Throughout the extended escrow period, Lessee shall continue to timely deposit the properly calculated and reported royalty payments attributable to the disputed acreage into the escrow account;
- 4) Throughout the extended escrow period, Lessee shall continue to provide documentation (copies of deposited checks, deposit receipts or monthly bank statements) of the timely deposit of royalty payments into the escrow account;
- 5) Throughout the extended escrow period, Lessee shall continue to cooperate, in good faith, with OMR's efforts to negotiate a royalty sharing agreement or other amicable resolution of the title dispute with the adverse claimant(s);
- 6) If the ownership/title dispute is amicably resolved prior to expiration of the extended escrow period, the royalty payments on deposit and interest thereon accumulating in the escrow account shall be timely distributed in accordance with the negotiated resolution;
- 7) If the ownership/title dispute is not amicably resolved prior to expiration of the authorized escrow extension, Lessee shall, within fifteen (15) calendar days of expiration:
  - a) Resume direct payment of royalties to OMR and transfer all royalty payments, including interest, on deposit in the escrow account to OMR; or
  - b) Invoke a concursus proceeding, transfer all royalty payments, including interest, on deposit in the escrow account into the Registry of the Court and continue the direct payment of royalties into the Registry of the Court through adjudication of the dispute;
- 8) Lessee shall not transfer nor release any funds, including interest, on deposit in the escrow account authorized by this Resolution without the knowledge and written approval of OMR; and
- 9) All charges and expenses in connection with the creation and maintenance of the escrow account authorized hereby are to be borne by Lessee.

**BE IT FURTHER RESOLVED** that Lessee is obligated to continue to strictly comply with the requirements applicable to the original and extended escrow authority in accordance with the requirements set forth herein and as required by OMR. Lessee's failure to:

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**RESOLUTION #17-08-006**  
**(LEGAL & TITLE CONTROVERSY REPORT)**

- 1) Timely create the escrow account; or
- 2) Timely deposit royalty payments into the escrow account; or
- 3) Timely provide required reports and documentary proof of deposits; or
- 4) Timely invoke a concursus proceeding or resume direct payment of royalties to OMR upon expiration of the escrow authority;

may result in the escrow authority granted hereby being rendered null and void *ab initio* by the Board, thus subjecting Lessee to the penalties and interest authorized by law and the State Lease.

**CERTIFICATE**

***I HEREBY CERTIFY*** that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of August, 2017 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**

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**RESOLUTION #17-08-006  
(LEGAL & TITLE CONTROVERSY REPORT)**

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #17-08-007

(LEGAL & TITLE CONTROVERSY REPORT)

Aethon United BR LP and  
PEO Haynesville Holdco,  
LLC – Full waiver request  
for late release of State  
Lease No. 18181

**WHEREAS**, a request was made by Aethon United BR LP and PEO Haynesville Holdco, LLC to the State Mineral and Energy Board for a full waiver of the liquidated damage assessment in the amount of \$23,700.00 for the failure to timely file a partial release of State Lease No. 18181;

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

**ON MOTION** of Mr. Arnold, seconded by Mr. Hollenshead, and by unanimous vote of the Board, the following Resolution was offered and adopted by the State Mineral and Energy Board:

**NOW THEREFORE, BE IT RESOLVED** that the Board does hereby grant a full waiver to Aethon United BR LP and PEO Haynesville Holdco, LLC of the liquidated damage assessment in the amount of \$23,700.00 for the failure to timely file a partial release of State Lease No. 18181.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of August, 2017 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 #17-08-008

Sylvan Energy, LLC –  
Waiver request for failure  
to timely file partial release  
of State Lease No. 20920

(LEGAL & TITLE CONTROVERSY REPORT)

**WHEREAS**, a request was made by Sylvan Energy, LLC to the State Mineral and Energy Board to request a waiver of the liquidated damage assessment in the amount of \$61,800.00 for the failure to file a timely partial release of six (6) acres of State Lease No. 20920;

**WHEREAS**, upon thorough review and consideration of verbal comments received from Mr. Joey Landry representing Sylvan Energy, LLC and a letter submitted by Sylvan Energy, LLC;

**ON MOTION** of Mr. Arnold, seconded by Mr. Harris, and opposed by Mr. Haik, the following Resolution was offered and adopted by the State Mineral and Energy Board:

**NOW THEREFORE, BE IT RESOLVED** that the Board, based on Board protocol, does hereby grant a reduction of liquidated damage assessment based on the Board's criteria from \$61,800.00 to \$5,508.00 to Sylvan Energy, LLC.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of August, 2017 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 #17-08-009

(LEGAL & TITLE CONTROVERSY REPORT)

Request from OMR Staff to  
extend authority to negotiate  
Operating Agreement – former  
State Lease No 17732

**WHEREAS**, a request was made to the State Mineral and Energy Board to authorize Staff of the Office of Mineral Resources (OMR) to extend the authority to negotiate the terms of an Operating Agreement on unleased State acreage in Sections 29 and 30, Township 16 North, Range 11 West, Bossier Parish, Louisiana (formerly State Lease No. 17732) released by J-W Operating Company within the HA RA SU 127 and the CV RA SU 45, Elmwood Field, Bossier Parish, Louisiana, until November 8, 2017; and

**WHEREAS**, OMR Staff further requests that the unleased State acreage be removed from commerce and unavailable for leasing until the November 8, 2017 Board Meeting, or until an Operating Agreement is confected and approved by the Board, whichever occurs first; and

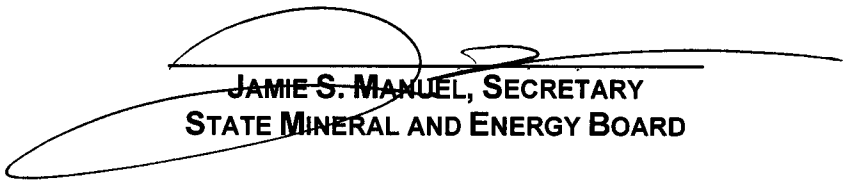
**ON MOTION** of Mr. Arnold, seconded by Mr. Bradberry, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

**NOW THEREFORE, BE IT RESOLVED** that the Board does hereby grant authority to the Staff of OMR to extend the authority to negotiate the terms of an Operating Agreement on unleased State acreage in Sections 29 and 30, Township 16 North, Range 11 West, Bossier Parish, Louisiana (formerly State Lease No. 17732) released by J-W Operating Company within the HA RA SU 127 and the CV RA SU 45, Elmwood Field, Bossier Parish, Louisiana, until November 8, 2017;

**BE IT FURTHER RESOLVED** that the Board does hereby remove the acreage from commerce and it is unavailable for leasing until the November 8, 2017 Board Meeting or until an operating agreement is confected and approved by the Board, whichever occurs first.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of August, 2017 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 #17-08-010

(LEGAL & TITLE CONTROVERSY REPORT)

Request to extend submittal of New Timeline Schedule to Review Remaining Articles of New Draft Lease Form
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**WHEREAS**, the Staff of the Office of Mineral Resources (OMR) presented an update regarding a proposed revision to the Lease Form Compilation Process and Timeline of Article Groups to the State Mineral and Energy Board (Board);

**WHEREAS**, Resolution No. 17-07-015, granted authority from the Board to OMR Assistant Secretary Jamie Manuel to submit a new timeline schedule for the drafting and compilation process for the proposed new lease form to the Board at the August 9, 2017, Board Meeting for Board approval;

**WHEREAS**, Assistant Secretary Manuel has approached the Board with a request to extend the submittal of a new timeline schedule.

**ON MOTION** of Mr. Segura, seconded by Mr. Haik, after discussion and careful consideration of the foregoing, 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 hereby grants authority to OMR Assistant Secretary Jamie Manuel to extend the submittal of a new timeline schedule for the drafting and compilation process for the proposed new lease form to the Board Meeting for October 2017.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of August, 2017 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 #17-08-011 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the August 9, 2017 Meeting be approved, said instrument being an Assignment from WEC Onshore, LLC to D90 Energy, LLC, of all of Assignor's right, title and interest in and to State Lease Nos 15346, 15350 and 15354, St. Landry Parish, Louisiana, with further particulars being stipulated in the instrument

D90 Energy, 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,

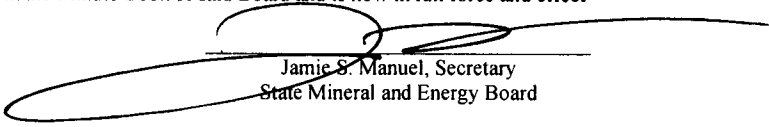
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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 9th day of August, 2017, 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 #17-08-012 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the August 9, 2017 Meeting be approved, said instrument being an Assignment from Castex Energy Partners, L P , Castex Energy 2016, LP and GOM 1271 LLC to Texas Petroleum Investment Company, of all of Assignor's right, title and interest in and to State Lease Nos 16363 and 16364, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument

Texas Petroleum Investment Company 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;

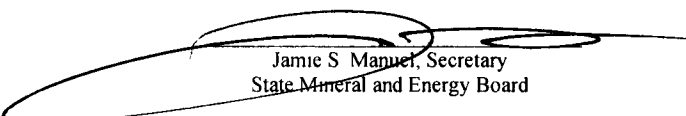
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 9<sup>th</sup> day of August, 2017, 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 #17-08-013

#### (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 3 from the August 9, 2017 Meeting be approved, said instrument being an Assignment from Chevron U S A Inc to Cantium, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 1365, 1366, 1367, 1482, 1486, 2724, 18637, 19323 and 21297, Jefferson and Lafourche Parishes, Louisiana, with further particulars being stipulated in the instrument.

Cantium, 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;

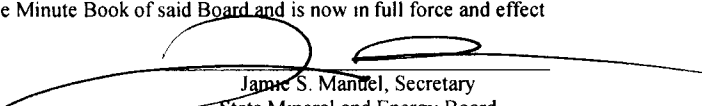
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 9th day of August, 2017, 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. Mantel, Secretary  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### Resolution #17-08-014 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the August 9, 2017 Meeting be approved, said instrument being an Assignment from Cowgill & Associates, L.L.C. to Atkins, Ltd., L.L.C., 75% of Assignor's undivided 35 71428% interest in and to State Lease No. 5978, Bossier Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

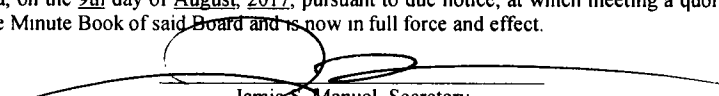
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

#### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9<sup>th</sup> day of August, 2017, 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 #17-08-015

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the August 9, 2017 Meeting be approved subject to the approval of the Governor of Louisiana, said instrument being an Assignment from Tana Exploration Company LLC to Krewe-TBay, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 192, 1772 and 1773, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument

Krewe-TBay, 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

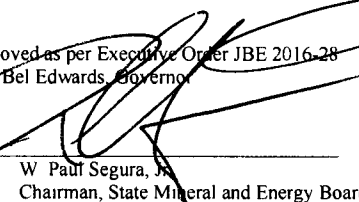
BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to reflect the approval of the State Mineral and Energy Board by affixing his signature to the aforesaid instrument

### 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 9th day of August, 2017, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect

  
Jamie S. Manuel, Secretary  
State Mineral and Energy Board

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

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



# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### Resolution #17-08-016 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 6 from the August 9, 2017 Meeting be approved, said instrument being an Assignment from Hunt Petroleum Company to Swift Energy Operating, LLC, of all of Assignor's right, title and interest in and to State Lease No. 1753, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument

Swift Energy 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,

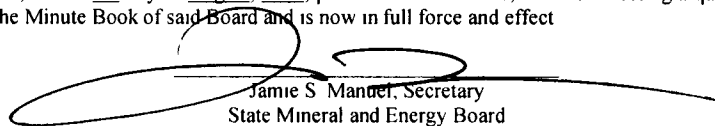
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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 9<sup>th</sup> day of August, 2017, 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. Mandel, Secretary  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### Resolution #17-08-017 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 7 from the August 9, 2017 Meeting be approved, said instrument being an Assignment from Swift Energy Operating, LLC to Hilcorp Energy I, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 1464, 1753, 2376, 10854, 17266, 17990 and 18907, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Hilcorp Energy I, 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;

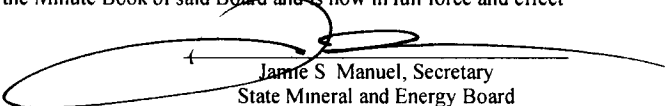
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 9th day of August, 2017, 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 #17-08-018 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 8 from the August 9, 2017 Meeting be approved, said instrument being an Assignment from Tana Exploration Company LLC, of all of Assignor's right, title and interest to the following in proportions set out below:

LLOG Bluewater Holdings, L.L.C	99.000%
LLOG Exploration Company, L.L.C	1.000%

in and to State Lease Nos 21442 and 21443, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

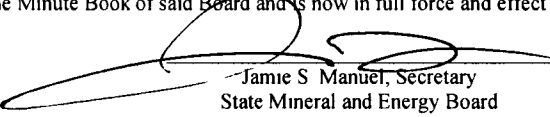
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

#### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 9th day of August, 2017, 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 #17-08-019 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 9 from the August 9, 2017 Meeting be approved, said instrument being an Assignment from Swift Energy Operating, LLC to Texegy LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 15288, 15388, 15596 and 20292, Sabine and Vernon Parishes, Louisiana, with further particulars being stipulated in the instrument

Texegy 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.

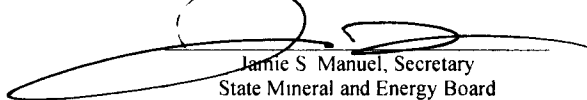
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 9th day of August, 2017, 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 #17-08-020**

**(DOCKET)**

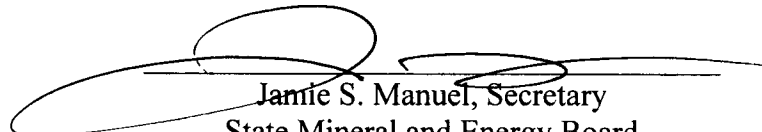
On motion of **Mr. Arnold**, seconded by **Ms. LeBlanc**, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 17-29 from the August 9, 2017, Meeting be approved, said instrument A Settlement and Release Agreement by and between Yuma Exploration and Production Company, Inc., Delacroix Corporation and the State of Louisiana, acting through its agent, the Louisiana State Mineral & Energy Board, to provide for the allocation of production and/or proceeds, regarding the minerals lying under Tract 4, approximately 24.053 acres and Tract 5, approximately 140.399 acres of the UL-5 RD SUA Unit, affecting State Lease No. 18514, located in Township 16 South, Range 14 East, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.  
with further particulars being stipulated in the instrument.

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 9th day of August, 2017 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

Re: Settlement of  
outstanding audit issues  
with Milagro

## RESOLUTION # 17-08-021

(EXECUTIVE SESSION)

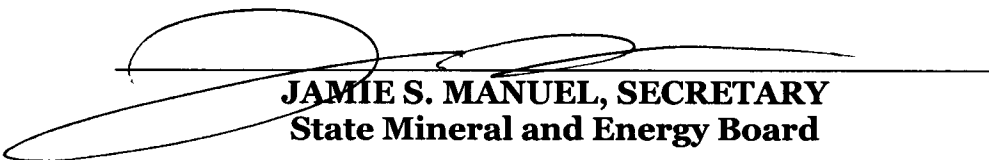
**WHEREAS**, a discussion was held in Executive Session regarding settlement of outstanding audit issues with Milagro;

**ON MOTION** of Mr. Harris, 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 grant authority to the Attorney General's office to resolve this 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 9th day of August, 2017 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

Re: Settlement of  
outstanding audit issues  
with Milagro

## RESOLUTION # 17-08-022

(EXECUTIVE SESSION)

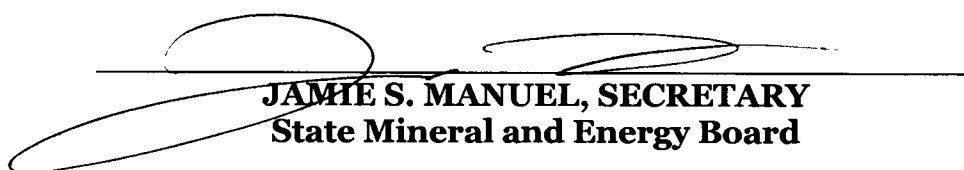
**WHEREAS**, a discussion was held in Executive Session regarding the Chapter 11 Bankruptcy Case of Northstar Offshore Group, LLC, Case No. 16-34028, United States Bankruptcy Court, Southern District of Texas, Houston Division;

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

**NOW THEREFORE, BE IT RESOLVED** that the State Mineral and Energy Board does hereby grant authority to the Attorney General's office to negotiate issues related to outstanding audits 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 9th day of August, 2017 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**