

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE AND BOARD MEETING

JULY 11, 2018

JOHN BEL EDWARDS
GOVERNOR



THOMAS F. HARRIS
SECRETARY

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

Opening of Bids

July 11, 2018

A public meeting for the purpose of opening sealed bids was held on Wednesday, July 11, 2018, beginning at 8:30 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Recorded as present were:

Jamie Manuel – Assistant Secretary of the Office of Mineral Resources

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

Rachel Newman – Director, Mineral Income Division

William Iturralde – Attorney, Office of Mineral Resources

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. 44937 through 44939 and Tract Nos. 44946 through 44955 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 Manuel stated that there were no tracts to be withdrawn from today's Lease Sale.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 44937(1)
 (Portion Bid: 174 acres)

Bidder	:	NADEL AND GUSSMAN N.V., LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$217,500.00
Annual Rental	:	\$108,750.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration:	:	None

Tract 44937(2)
 (Portion Bid: 1,881 acres)

Bidder	:	MCGINTY-DURHAM, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$1,899,810.00
Annual Rental	:	\$949,905.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration:	:	None

Tract 44937(3)
 (Portion Bid: 138.38 acres)

Bidder	:	THEOPHILUS OIL, GAS & LAND SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$415,347.57
Annual Rental	:	\$207,673.79
Royalties	:	25% on oil and gas
	:	25% on other minerals

Additional Consideration:

Theophilus Oil, Gas & Land Services, LLC, or its successor/assignee shall commence or cause to be commenced on Tract Number 44937, a new well drilling to a depth sufficient to test the "Haynesville Zone, Reservoir A". This well shall be commenced during the first year of the primary term of the State Lease unless said operations are delayed or made impractical by the occurrence of "Force Majeure" event, as defined in the State Lease Form. In the event the well is not drilled within the first year, Theophilus Oil, Gas & Land Services, LLC or its successor/assignee shall remit liquidated damages in the amount of \$70,000.00 to the Louisiana State Mineral and Energy Board, Office of Mineral Resources, within (30) days of the anniversary date of the lease. This amount is **Not** to be considered as its Second Year Rental. In so far and only in so far, if a **Second and Third** Year Rental is necessary, the Lessee shall pay the State 1/2

of the original cash bonus (\$207,673.79). These obligations shall survive the termination of the lease.

Tract 44938(1)
(Portion Bid: 50 acres)

Bidder	:	NADEL AND GUSSMAN N.V., LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$62,500.00
Annual Rental	:	\$31,250.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration:	:	None

Tract 44938(2)
(Portion Bid: 1,961 acres)

Bidder	:	MCGINTY-DURHAM, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$1,980,610.00
Annual Rental	:	\$990,305.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration:	:	None

Tract 44939

Bidder	:	THEOPHILUS OIL, GAS & LAND SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$37,950.00
Annual Rental	:	\$18,975.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration:	:	None

Tract 44946

Bidder	:	CONOCOPHILLIPS COMPANY
Primary Term	:	Three (3) years
Cash Payment	:	\$28,728.00
Annual Rental	:	\$14,364.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration:	:	None

Tract 44947

Bidder	:	SUNNYSIDE RESOURCES, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$62,115.00
Annual Rental	:	\$31,057.50
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration:	:	None

Tract 44948

Bidder	:	SUNNYSIDE RESOURCES, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$56,375.00
Annual Rental	:	\$28,187.50
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration:	:	None

Tract 44951(1)
(Portion Bid: 64.06 acres)

Bidder	:	LA DELTA FARMS OIL COMPANY, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$9,609.00
Annual Rental	:	\$4,804.50
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration:	:	None

Tract 44951(2)
(Portion Bid: 100.01 acres)

Bidder	:	LA DELTA FARMS OIL COMPANY, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$30,003.00
Annual Rental	:	\$15,001.50
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration:	:	None

STATE AGENCY TRACTS

Tract 44955

Bidder	:	BANFF ENERGY, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$352,660.00
Annual Rental	:	\$176,330.00
Royalties	:	20% on oil and gas
	:	20% 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

REGULAR MEETING
July 11, 2018

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, July 11, 2018**, beginning at 9:30 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

I. CALL TO ORDER

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

II. ROLL CALL

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

W. Paul Segura, Jr., Chairman
Carol R. LeBlanc, Vice-Chair
Rochelle A. Michaud-Dugas
Thomas F. Harris, DNR Secretary
Robert D. Watkins
J. Todd Hollenshead
Johnny B. Bradberry
Byron L. Lee (arrived at 9:40 a.m. before presentation of the Lease Review Report)
Emile B. Cordaro (arrived at 9:45 a.m. after presentation of the Lease Review Report)

The following members of the Board were recorded as absent:

Thomas L. Arnold, Jr.
Theodore M. "Ted" Haik, Jr.

Mr. Manuel announced that nine (9) members of the Board were present and that a quorum was established.

Also recorded as present were:

Stacey Talley – Business Analytics Specialist, Office of Mineral Resources

Ryan Seidemann - Assistant Attorney General

Christopher Lento - Assistant Attorney General

William Iturralde – Attorney, Office of Mineral Resources

Rachel Newman - Director, Mineral Income Division

Taletha Shorter – Audit Manager, Mineral Income Division

Byron Miller – Administrator, Geology, Engineering & Land Division

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

Charles Bradbury – Engineering Supervisor, Geology, Engineering & Land Division

Emile Fontenot – Petroleum Lands Director, Geology, Engineering & Land Division

Blake Canfield – Executive Counsel, Department of Natural Resources

James Devitt - Deputy General Counsel, Department of Natural Resources

III. PLEDGE OF ALLEGIANCE

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

IV. APPROVAL OF THE JUNE 13, 2018 MINUTES

The Chairman stated that the first order of business was the approval of the June 13, 2018 Minutes. A motion was made by Ms. LeBlanc to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Mr. Harris and unanimously adopted by the Board. (No public comment was made at this time.)

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

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

V. STAFF REPORTS

- a) Lease Review Report
(Resolution Nos. 18-07-001)
- b) Nomination and Tract Report
(Resolution Nos. 18-07-002 thru 18-07-003)
- c) Audit Report
(Resolution Nos. 18-07-004)
- d) Legal and Title Controversy Report
(Resolution Nos. 18-07-005)
- e) Docket Review Report
(Resolution Nos. 18-07-006 thru 18-07-016)

**a) LEASE REVIEW REPORT
July 11, 2018**

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there were 1,191 active State Leases containing approximately 524,000 acres. Since the last Lease Review Board meeting, the Geological and Engineering Division reviewed 61 leases covering approximately 23,000 acres for lease maintenance and development issues.

II. BOARD REVIEW

1. A staff report on State Lease 340-B Selection, Belle Isle Field, Iberia and St. Mary Parishes. Texas Petroleum Investment Corporation and Castex Energy, Inc. are the lessees. This report was presented for informational purposes to show that this portion of State Lease 340 was expired and has been released, requiring no action by the Board.
2. A staff report on State Lease 340-C, Designated Areas 1 through 5, Rabbit Island Selection, Iberia, St. Mary and Vermilion Parishes. Shoreline Southeast LLC, Castex Energy Development Fund, and Rabbit Island, LP, are the lessees. This report was presented for informational purposes to show that this portion of State Lease 340 was expired and has been released, requiring no action by the Board.

III. FORCE MAJEURE

1. Day Dreams requested a forty-five (45) day extension to the recognition of force majeure due to the post flood conditions making it difficult to access the location with heavy equipment. Staff recommends extending force majeure recognition until September 12, 2018. Upon motion of Ms. LeBlanc, seconded by Ms. Michaud-Dugas, the Board extended the force majeure recognition until September 12, 2018.

Updated 06/30/2018

Company Name	Lease Numbers (Review Date)
Leases Off Production Due to Non-Storm Related Force Majeure Events	
Day Dreams Resources, LLC	19930 (9/12/2018)
Rabb Contracting Company LLC	19851 (9/12/2018)

b) NOMINATION AND TRACT REPORT
July 11, 2018

The Board heard the report of Mr. Emile Fontenot on Wednesday July 11, 2018 relative to nominations received in the Office of Mineral Resources for the September 12, 2018 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of **Mr. Harris**, duly seconded by **Ms. Michaud-Dugas**, the Board granted authority to the staff to advertise all such tracts as have been received by the staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report. (Resolution 18-07-002)

On another matter, Mr. Emile Fontenot informed the Board that pursuant to R.S. 30:215, non-exclusive seismic fees are to be set annually to conduct seismic, geophysical and geological surveys. The staff recommended that the State Mineral and Energy Board set a fee of \$15.00 per acre, or \$1,000.00 whichever is greater, for the nonexclusive seismic permits on state- owned lands and water bottoms or land and water bottoms under the jurisdiction of the Wildlife and Fisheries Commission; that the State Mineral and Energy Board set a fee of \$200.00 per line mile, or \$1,000.00, whichever is greater, for 2D seismic permits on either state-owned lands and water bottoms or lands and water bottoms under the jurisdiction of the Wildlife and Fisheries Commission. On motion of **Mr. Hollenshead**, duly seconded by **Ms. LeBlanc**, the board voted unanimously to set such fee. (Resolution 18-07-003)

c) AUDIT REPORT
July 11, 2018

The first matter on the audit report was a penalty waiver request from Walter Oil & Gas Corporation.

Staff recommended a 100% penalty waiver based up on protocol. Upon motion of Mr. Watkins, seconded by Mr. Cordaro, the Board voted unanimously to approve the 100% penalty waiver of \$53,391.11.

The second matter on the audit report was the election of the July 2018 gas royalty to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

d) LEGAL & TITLE REPORT
July 11, 2018

The State Mineral and Energy Board (Board) considered a counter proposal from Castex Energy, Inc. (Castex) dated July 3, 2018, for an option to extend the primary term of State Lease Nos. 21611, 21612 and 21613 in Four League Bay Field, Terrebonne Parish, Louisiana, for a period of six (6) months.

Castex proposed a cash consideration of \$6,735.93 (State Lease No. 21611), \$43,676.00 (State Lease No. 21612), and \$30,458.83 (State Lease No. 21613) payable on or before September 9, 2018, unless Castex commences drilling and/or completion operations necessary to maintain the aforementioned State Leases prior to September 9, 2018. Additionally, Castex proposed that the 25% royalty amount remain for each of the State Leases. Should operations sufficient to maintain the State Leases begin prior to September 9, 2018, the State Leases shall be maintained pursuant to their terms and no cash consideration shall be paid to the State.

Staff recommended that the Board accept the counter proposal by Castex and approve the extensions as stated above, subject to form and legality.

Upon motion of Mr. Harris, seconded by Mr. Watkins, and by unanimous vote of the Board, the State Mineral and Energy Board approved Staff's recommendation to accept Castex's offer as stated above, subject to form and legality. There were no comments from the public. (Resolution No. 18-07-005)

**e) DOCKET REVIEW REPORT
July 11, 2018**

The Board heard the report from Emile Fontenot on Wednesday, July 11, 2018, relative to the following:

Category A: State Agency Leases
Docket Item A

Category B: State Lease Transfers
Docket Item Nos. 1 through 10.

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

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

Based upon the staff's recommendation, on motion of Ms. Michaud-Dugas, duly seconded by Mr. Watkins, the Board voted unanimously to accept the following recommendations:

Category A: State Agency Leases
Approve Docket Item A
(Resolution No. 18-07-006)

Category B: State Lease Transfers
Approve Docket Item Nos. 1 through 10
(Resolution Nos. 18-07-007 through 18-07-016)

VI. EXECUTIVE SESSION
(Resolution Nos. 18-07-017 thru 18-07-018)

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. Watkins, seconded by Mr. Harris, the Board Members went into Executive Session at 10:06 a.m.

Upon motion of Ms. LeBlanc, seconded by Mr. Hollenshead, the Board reconvened in open session at 11:03 a.m. for consideration of the following matters discussed in Executive Session:

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

This matter was only a discussion, and no action by the Board was taken. No comments were made by the public.

b. A discussion of the matter entitled: Chesapeake Operating Inc. & Chesapeake Louisiana, LP v. State Mineral and Energy Board of Louisiana, et al., Docket No. 35483, 39th Judicial District Court, Red River Parish, Louisiana

Upon motion of Mr. Harris, seconded by Mr. Watkins, the Board voted unanimously to grant authority to the Attorney General's office to reject the current offer by Capital One and negotiate further based upon expert findings as discussed in Executive Session. No comments were made by the public. (Resolution No. 18-07-017)

c. A discussion of the proposed terms for an Operating Agreement with GEP Haynesville, LLC/Vine Oil & Gas LP pertaining to waterbottoms situated in Sections 15 & 22, Township 12 North, Range 11 West, Red River-Bull Bayou Field, DeSoto, Louisiana

Upon motion of Mr. Watkins, seconded by Ms. Michaud-Dugas, the Board voted unanimously to grant authority to OMR Staff to negotiate the operating agreement pursuant to the terms as discussed in Executive Session. No comments were made by the public. (Resolution No. 18-07-018)

d. Technical Briefing on Bids

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

VII. AWARDING OF LEASES

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

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

1. Award a lease on a portion of Tract No. 44937 to Theophilus Oil, Gas & Land Services, LLC
2. Award an option (1) on a portion of Tract No. 44937 to Nadel and Gussman N.V., LLC
3. Award an option (2) on a portion of Tract No. 44937 to McGinty-Durham, Inc.
4. Award a lease on a portion of Tract No. 44938 to Nadel and Gussman N.V., LLC
5. Award an option on a portion of Tract No. 44938 to McGinty-Durham, Inc.
6. Award a lease on Tract No. 44939 to Theophilus Oil, Gas & Land Services, LLC
7. Award a lease on Tract No. 44946 to ConocoPhillips Company
8. Award a lease on Tract No. 44947 to Sunnyside Resources, Inc.
9. Award a lease on Tract No. 44948 to Sunnyside Resources, Inc.
10. Award a lease on a portion of Tract No. 44951(1) to LA Delta Farms Oil Company LLC
11. Award a lease on a portion of Tract No. 44951 (2) to LA Delta Farms Oil Company LLC
12. Award a lease on Tract No. 44955 to Banff Energy, L.L.C.

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.

VIII. NEW BUSINESS

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

No new business was discussed.

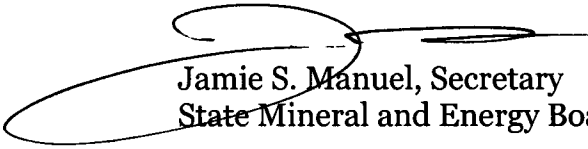
IX. ANNOUNCEMENTS

Mr. Manuel stated that the total amount of leases offered/awarded for the July 11, 2018 Lease Sale is \$4,899,347.57 bringing the fiscal year total to \$4,899,347.57.

X. ADJOURNMENT

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Cordaro, seconded by Ms. Michaud-Dugas, the meeting was adjourned at 11:08 a.m.

Respectfully Submitted,



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #18-07-001
(LEASE REVIEW)**

On motion of Ms. LeBlanc, seconded by Ms. Michaud-Dugas, 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 request by Day Dreams, LLC (herein "Day Dreams") to extend recognition of the force majeure condition previously granted by the staff, affecting State Lease 19930 in Fairview Field, Concordia Parish, Louisiana for an additional 45 days; and,

WHEREAS, at the April 11, 2018 meeting, the Board extended recognition of the force majeure condition until the meeting on July 11, 2018; and,

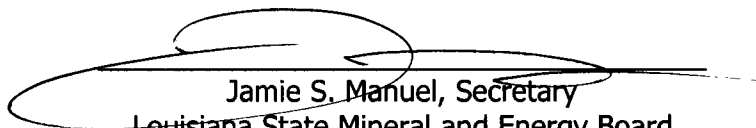
WHEREAS, on April 5, 2018 the Commissioner of Conservation issued an order to lift the compliance order stating that the wells associated with this matter can be restored to production, however at this time the seals had not been removed from the tanks to permit the movement oil and salt water; and,

WHEREAS, Day Dreams' facilities were damaged by the floodwaters and require additional time to repair the facility and restore production.

NOW THEREFORE BE IT RESOLVED, that the State Mineral and Energy Board, in consideration of the facts stated herein, by these present does hereby extend recognition of the force majeure event affecting State Lease 19930 until the September 12, 2018 Board meeting, or until such time Day Dreams restores the well to production. The Board requires that Day Dreams, LLC submit to the staff monthly updates due no later than the first (1st) of each month. The Board will reserve its rights to review and reconsider whether additional action is necessary at the September 12, 2018 meeting. Furthermore, the Board requires that Day Dreams continue in a due diligent manner, to mitigate or negate the effect of said events that caused the force majeure.

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 July 11, 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Authority to advertise
Tracts for September 12,
2018 Lease Sale

Resolution #18-07-002
(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Emile Fontenot reported that twenty-two (22) tracts were nominated for the September 12, 2018 Mineral Lease Sale, and requested that same be advertised pending staff review;

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

That the State Mineral and Energy Board grant approval to advertise all such tracts for the September 12, 2018 Mineral Lease Sale;

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

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 11th day of July 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Non-Exclusive
Seismic Permit Fees

Resolution #18-07-003
(NOMINATION AND TRACT COMMITTEE)

WHEREAS, La. R.S. 30:215 requires that the State Mineral and Energy Board (Board) at least annually set a per acre fee to be paid for non-exclusive permits to conduct seismic, geophysical and geological surveys upon state-owned lands and/or water bottoms; and

WHEREAS, La. R.S. 30:215 further requires that this fee be set based upon market value and fixed in a per acre amount of no more than Thirty (\$30.00) Dollars and no less than Five (\$5.00) Dollars; and

WHEREAS, the Board last met on July 12, 2017 for the purpose of setting the per acre fee to be paid for such permits; and

WHEREAS, the Board now is required to again set the per acre fee for such permits; and

WHEREAS, the Staff of the Office of Mineral Resources (OMR) has received and reviewed all information available for determining the fair market value for such permits; and

WHEREAS, OMR Staff offered the following recommendation for such fees for consideration by the Nomination and Tract Committee:

That the State Mineral and Energy Board herein and hereby set a fee of \$15.00 per acre, or \$1000.00, whichever is greater, for the non-exclusive seismic permit on state-owned lands and water bottoms or lands and water bottoms under the jurisdiction of the Wildlife and Fisheries Commission; that the State Mineral and Energy Board set a fee of \$200.00 per line mile, or \$1000.00, whichever is greater, for 2D seismic permits on either state-owned lands and water bottoms or lands and water bottoms under the jurisdiction of Wildlife and Fisheries Commission.

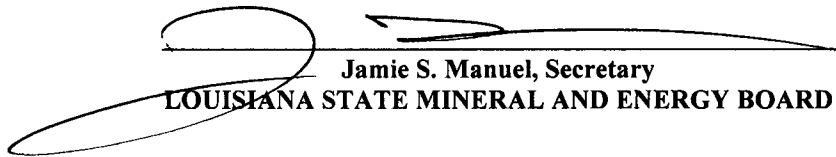
ON MOTION of ***Mr. Hollenshead***, seconded by ***Ms. LeBlanc***, after discussion and careful consideration, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED:

That the State Mineral and Energy Board set a fee of \$15.00 per acre, or \$1,000.00, whichever is greater, for the non-exclusive seismic permit on state-owned lands and water bottoms or lands and water bottoms under the jurisdiction of the Wildlife and Fisheries Commission; that the State Mineral and Energy Board set a fee of \$200.00 per line mile, or \$1,000.00, whichever is greater, for the 2D seismic permits on either state-owned lands and water bottoms or lands and water bottoms under the jurisdiction of the Wildlife and Fisheries Commission.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 11th day of July, 2018 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**RESOLUTION #18-07-004
(AUDIT REPORT)**

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

WHEREAS, the State Mineral and Energy Board caused an audit to be performed of state royalty payments made by Walter Oil & Gas Corporation in the Deep Lake, South Pass Block 78, and Three Bayou Bay fields; State Lease Nos. 16500, 16501, 20349, 20350, 20779 and A0318 which audit revealed that Walter Oil & Gas Corporation owed the state \$149,605.27 in underpayment of royalty and \$132,595.70 in interest and penalty for a total of \$282,200.97; and

WHEREAS, Walter Oil & Gas Corporation remitted payment of \$229,253.26 for the outstanding principal and interest and made letter of application for reduction of penalties assessed in the amount of \$53,391.11 that were the result of incorrect royalty payments; and

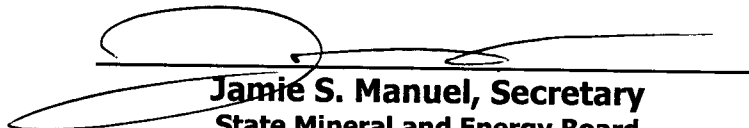
WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration and in accordance with State Mineral and Energy Board established protocol, recommended that the foregoing request for a reduction of penalties be approved and that one hundred percent (100%) of the penalty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

ON MOTION of Mr. Watkins, seconded by Mr. Cordaro, after discussion and careful consideration the following recommendation was offered and adopted by the Board;

THEREFORE, BE IT RESOLVED that the Board does waive one hundred percent (100%), which amounts to \$53,391.11 of the total penalty assessed to Walter Oil & Gas Corporation.

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 11th day of July 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #18-07-005

(LEGAL & TITLE CONTROVERSY REPORT)

Castex Energy, Inc –
Counter offer to extend
Primary Term of
SL Nos 21611,
21612 and 21613

WHEREAS, the State Mineral and Energy Board (Board) considered a counter proposal from Castex Energy, Inc. (Castex) dated July 3, 2018, for an option to extend the primary term of State Lease Nos. 21611, 21612 and 21613 in Four League Bay Field, Terrebonne Parish, Louisiana, for a period of six (6) months; and

WHEREAS, Castex proposed a cash consideration of \$6,735.93 (State Lease No. 21611), \$43,676.00 (State Lease No. 21612), and \$30,458.83 (State Lease No. 21613) payable on or before September 9, 2018, unless Castex commences drilling and/or completion operations necessary to maintain the aforementioned State Leases prior to September 9, 2018; and

WHEREAS FURTHER, Castex proposed that the royalty amount remain 25% for each of the aforementioned State Leases; and

WHEREAS, OMR Staff, upon thorough review and consideration, recommended that the Board accept the counter proposal by Castex and approve the extensions as stated above, subject to form and legality;

ON MOTION of Mr. Harris seconded by Mr. Watkins, after discussion and careful consideration, 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 accept Staff's recommendation and approve the counter proposal from Castex for a cash consideration of \$6,735.93 (State Lease No. 21611), \$43,676.00 (State Lease No. 21612), and \$30,458.83 (State Lease No. 21613) payable on or before September 9, 2018, unless Castex commences drilling and/or completion operations necessary to maintain the aforementioned State Leases prior to September 9, 2018; subject to form and legality;

BE IT FURTHER RESOLVED that the royalty amount for each of the aforementioned State Leases shall remain at 25%.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 11th day of July, 2018, of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of 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 #18-007-006

(DOCKET)

On motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the July 11, 2018 meeting be approved, said instrument being an Oil, Gas and Mineral Lease from Vermilion Parish Schools to Theophilus Oil, Gas & Land Services, LLC, covering land located in Section 16, Township 11 South, Range 2 East, Vermilion Parish, Louisiana, containing approximately 376 acres, more or less, with further particulars being stipulated in the instrument.

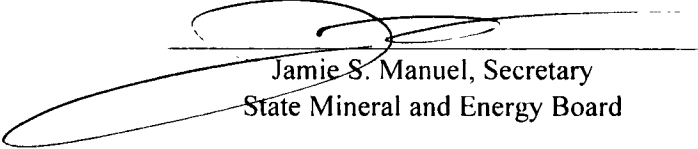
The State of Louisiana, through the State Mineral and Energy Board, asserts and claims title to the beds and bottoms of any navigable waterbed that may be located within the boundaries of the lands leased, and this approval shall not cover or extend to, or be construed as affecting the State's title to such submerged lands, if any. This lease is approved only so far as it covers lands in place, excluding from such approval any and all navigable waterbeds and sovereignty lands located within the tract leased.

BE IT FURTHER RESOLVED that this action is taken only in pursuance of Louisiana Revised Statutes 30:158 and without inquiry into the lessor's title to the leased premises or such rights, if any, that the State of Louisiana may have in the same. It is understood that this approval is solely given in order to comply with the statutory authority aforesaid.

BE IT FURTHER RESOLVED that either the Chairman, Vice-Chairman or Secretary is hereby authorized to sign said lease to reflect the approval of the State Mineral and Energy Board.

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 11th day of July, 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-007-007

(DOCKET)

On motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the following Resolution was offered and adopted.

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the July 11, 2018 meeting be approved, said instrument being an Assignment from Square Mile Energy, L.L.C. to Lake Salvador, L.L.C., of all of Assignor's right, title and interest in and to State Lease Nos. 21183, 21408, 21536 and 21537, St. Charles Parish, Louisiana. **INSOFAR AND ONLY INSOFAR AS** said leases cover acreage within the boundaries of the 795 714 acre unit created pursuant to the certain Voluntary Unit Agreement dated December 9, 2017, with further particulars being stipulated in the instrument.

Lake Salvador, 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 non-signatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof.

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

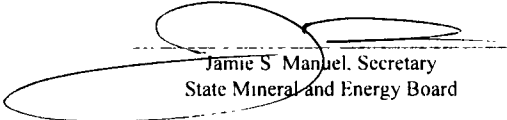
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of July, 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-007-008 (DOCKET)

On motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the July 11, 2018 meeting be approved, said instrument being an Assignment from Square Mile Energy, L.L.C. to Lake Salvador, L.L.C., of all of Assignor's right, title and interest in and to State Lease Nos. 20936, 20937 and 21058, St. Charles Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said leases lie inside the boundaries of the CRIS IRL SUA, with further particulars being stipulated in the instrument.

Lake Salvador, 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 non-signatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof.

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

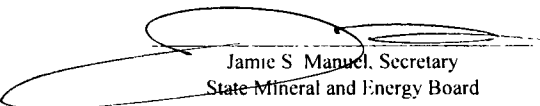
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of July, 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-007-009

(DOCKET)

On motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the July 11, 2018 meeting be approved, said instrument being an Assignment from Square Mile Energy, L.L.C., Loveless Asset Management, L.L.C., Kiwienergy, Ltd., Abby Oil, LLC, JMII Consulting Investments, L.L.C., G-JEM, LLC, Nova Oil & Gas, LLC, Skyland Investments, LLC, JRNY Investments, LLC, NRJ Investments, LLC, Metallica Soap Company, L.L.C., Bobbie Jean Exploration, LLC, Coastland Energy, Inc., KK&M Investments, L.L.C., LL&K Exploration, L.L.C., Ole Ponder, LLC and Three Blue Trees, LLC to Lake Salvador, L.L.C., of all of Assignor's right, title and interest in and to State Lease Nos. 20626, 20856 and 20857, St. Charles Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said leases cover lands lying within the boundaries of the CRIS 1 RB SUA and covering 479.755 acres in the West Lake Salvador Field, with further particulars being stipulated in the instrument.

Lake Salvador, 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 11th day of July, 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-007-010

(DOCKET)

On motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the following Resolution was offered and adopted

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the July 11, 2018 meeting be approved, said instrument being an Assignment from Devon Energy Production Company, L.P. to Linn Energy Properties, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 451, 4477, 5419, 5986, 8129, 11859, 12569, 17988 and 17989, Catahoula, Iberville, Jefferson Davis, Plaquemines, Pointe Coupee, St. Mary, Vermilion and West Feliciana Parishes, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

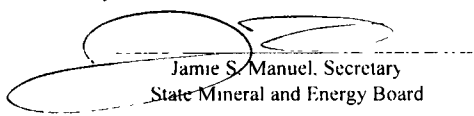
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of July, 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-007-011 (DOCKET)

On motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 5 from the July 11, 2018 meeting be approved, said instrument being a Merger whereby LINN Energy Properties, L.L.C is merging with and into LINN Energy Holdings, L.L.C, affecting State Lease Nos 451, 4477, 5419, 5986, 8129, 11859, 12569, 17988 and 17989, Catahoula, Iberville, Jefferson Davis, Plaquemines, Pointe Coupee, St. Mary, Vermilion and West Feliciana Parishes, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

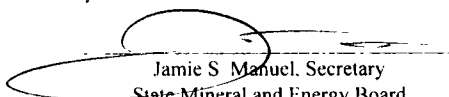
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of July, 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-007-012 (DOCKET)

On motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the following Resolution was offered and adopted

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No 6 from the July 11, 2018 meeting be approved, said instrument being an Assignment from Gage Energy, LLC to Gage Land & Minerals, LLC, of all of Assignor's right, title and interest in and to State Lease No. 21005, Concordia Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

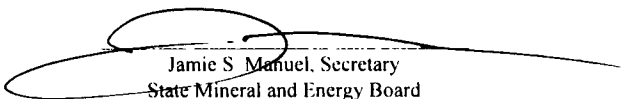
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of July, 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-007-013

(DOCKET)

On motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the following Resolution was offered and adopted:

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 7 from the July 11, 2018 meeting be approved, said instrument being an Assignment from Wagon Wheel Arklatex, LLC to Monterey Resources LLC, of all of Assignor's right, title and interest in and to State Lease No. 2852, Claiborne Parish, Louisiana, with further particulars being stipulated in the instrument.

Monterey Resources 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.

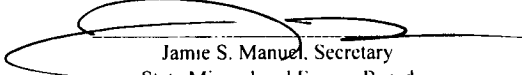
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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 11th day of July, 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-007-014

(DOCKET)

On motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the following Resolution was offered and adopted.

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 8 from the July 11, 2018 meeting be approved, said instrument being an Assignment from Cypress Energy Corporation to Indigo Haynesville L.L.C. of all of Assignor's right, title and interest in and to State Lease No. 21781, DeSoto and Natchitoches Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

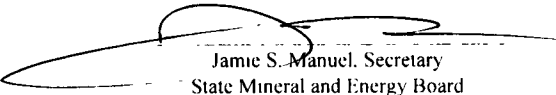
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of July, 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-007-016 (DOCKET)

On motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the following Resolution was offered and adopted

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 10 from the July 11, 2018 meeting be approved, said instrument being a Change of Name whereby MRD Operating L.L.C. is changing its name to Range Louisiana Operating, L.L.C. affecting State Lease No. 19501 and Operating Agreement "A0135" and "A0305", Caddo, Jackson and Lincoln Parishes, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

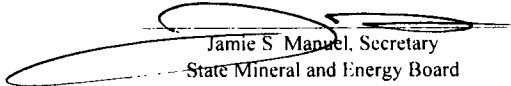
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of July, 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Chesapeake Operating
Inc. & Chesapeake Louisiana,
LP v. SMEB, et al., #35483,
39th JDC, Red River Parish

RESOLUTION # 18-07-017

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding the matter entitled: Chesapeake Operating Inc. & Chesapeake Louisiana, LP v. State Mineral and Energy Board of Louisiana, et al., Docket No. 35483, 39th Judicial District Court, Red River Parish, Louisiana;

ON MOTION of Mr. Harris, 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 reject the current offer by Capital One and negotiate further based upon expert findings 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 11th day of July, 2018 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Proposed Operating
Agreement with GEP
Haynesville, LLC/Vine Oil &
Gas LP, Red River-Bull Bayou
Field, DeSoto, LA

RESOLUTION # 18-07-018

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding proposed terms for an Operating Agreement with GEP Haynesville, LLC/Vine Oil & Gas LP pertaining to waterbottoms situated in Sections 15 & 22, Township 12 North, Range 11 West, Red River-Bull Bayou Field, DeSoto, Louisiana;

ON MOTION of Mr. Watkins, seconded by Ms. Michaud-Dugas, 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 OMR Staff to negotiate the operating agreement pursuant to the terms 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 11th day of July, 2018 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board