

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE AND BOARD MEETING

DECEMBER 11, 2019



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

Opening of Bids
December 11, 2019

A public meeting for the purpose of opening sealed bids was held on Wednesday, December 11, 2019, beginning at 8:32 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Emile Fontenot presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of Tract Nos. 45220 through 45245 which were published for lease by the Board at today's sale.

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

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 Fontenot stated that there were no tracts to be withdrawn from today's Lease Sale.

The following bids were then opened and read aloud to the assembled public by Mr. Fontenot:

Tract 45222
(Portion Bid: 127.00 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$27,940.00
Annual Rental	:	\$13,970.00
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 45233
(Portion Bid: 116.00 acres)

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$47,444.00
Annual Rental	:	\$23,722.00
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

Tract 45234
(Portion Bid: 111.00 acres)

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$45,399.00
Annual Rental	:	\$22,699.50
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

Tract 45240
(Portion Bid: +417 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$91,740.00
Annual Rental	:	\$45,870.00
Royalties	:	21.25% on oil and gas
	:	21.25% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

There being no further business, the meeting was concluded at 8:30 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
December 11, 2019

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, December 11, 2019**, beginning at 9:36 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

I. CALL TO ORDER

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

II. ROLL CALL

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

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

The following members of the Board were recorded as absent:

Rochelle A. Michaud-Dugas
Kyle "Chip" Kline, Jr.
Byron L. Lee

Mr. Manuel announced that seven (7) members of the Board were present when the roll call was taken and that a quorum was established.

III. PLEDGE OF ALLEGIANCE

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

IV. APPROVAL OF THE OCTOBER 9, 2019 & NOVEMBER 13, 2019 MINUTES

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

A motion was made by Mr. Arnold to adopt the October 9, 2019 Minutes as submitted and to waive reading of same. His motion was seconded by Ms. LeBlanc and unanimously adopted by the Board. (No public comment was made at this time.)

A motion was made by Mr. Arnold to adopt the November 13, 2019 Minutes as submitted and to waive reading of same. His motion was seconded by Mr. Hollenshead and unanimously adopted by the Board. (No public comment was made at this time.)

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

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

VI. STAFF REPORTS

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

**a) LEASE REVIEW REPORT
December 11, 2019**

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 1,114 active State Leases containing approximately 476,453 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 101 leases covering approximately 49,123 acres for lease maintenance and development issues.

II. BOARD REVIEW

There were no State Lease items brought before the Board today.

III. FORCE MAJEURE

1. Request by Expert Oil & Gas LLC to recognize a force majeure condition after-the-fact due to Shell Pipeline Company terminating oil pipeline service affecting State Leases 19202, 19203, 19204, 19205, 19206 and 19232 in Lake Salvador Field, Saint Charles Parish for the period of September 2, 2018 through June 27, 2019. Upon motion of Mr. Arnold, seconded by Mr. Watkins, the Board approved the recognition of force majeure condition affecting State Leases 19202, 19203, 19204, 19205, 19206, and 19232.

**b) NOMINATION AND TRACT REPORT
December 11, 2019**

The Board heard the report of Mr. Emile Fontenot on Wednesday December 11, 2019 relative to nominations received in the Office of Mineral Resources for the January 8, 2020 and February 12, 2020 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of **Mr. Arnold**, duly seconded by **Mr. Harris**, the Board granted authority to Staff to advertise all such tracts that have been received by the Staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report. **(Resolution No. 19-12-002)**

c) AUDIT REPORT
December 11, 2019

The first matter on the audit report was a recoupment request from Dynamic Offshore Resources, LLC.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Harris, the Board voted unanimously to approve the recoupment request of \$515,018.97. **(Resolution No. 19-12-003)**

The second matter on the audit report was a recoupment request from Dynamic Offshore Resources, LLC.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Ms. Leblanc, the Board voted unanimously to approve the recoupment request of \$89,294.16. **(Resolution No. 19-12-004)**

The third matter on the audit report was a recoupment request from Dynamic Offshore Resources, LLC.

Upon recommendation of the staff and upon motion of Mr. Arnold, seconded by Mr. Hollenshead, the Board voted unanimously to approve the recoupment request of \$112,068.24. **(Resolution No. 19-12-005)**

The fourth matter on the audit report was the election of the December 2019 gas royalty to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

d) LEGAL & TITLE REPORT
December 11, 2019

The first matter considered by the State Mineral and Energy Board (Board) was a request from Hilcorp Energy Company (Hilcorp) for approval of the Deep Lake Field Barge Installation project affecting State Lease No. 2340 in the Rockefeller WMA, Cameron and Vermilion Parishes, Louisiana.

Staff reported that Hilcorp wanted to dredge a canal and install a compressor barge with flowlines at an existing slip in the Deep Lake Field. According to State Lease No. 2340, canals, pipelines, and permanent installations must be approved by the Mineral Board.

Staff recommended that the Board approve the aforementioned request.

Upon motion of Mr. Harris, seconded by Mr. Watkins, and by unanimous vote of the Board, the Board voted to approve the request from Hilcorp for the Deep Lake Field Barge Installation project affecting State Lease No. 2340 in the Rockefeller WMA, Cameron and Vermilion Parishes, Louisiana. There were no comments from the public. **(Resolution No. 19-12-006)**

The second matter considered by the Board was a discussion of the draft security interest provision for the Board's consideration and approval to be included in the New Lease Form.

After lengthy consideration, upon motion of Mr. Watkins, seconded by Mr. Haik, and by unanimous vote of the Board, the Board approved the inclusion of the draft security interest provision in the New Lease Form. There were no comments from the public. **(Resolution No. 19-12-007)**

**e) DOCKET REVIEW REPORT
December 11, 2019**

The Board heard the report from Emile Fontenot on Wednesday, December 11, 2019, relative to the following:

- Category A: State Agency Leases
There were no items for this category
- Category B: State Lease Transfers
Docket Item Nos. 1 through 9
- Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category
- Category D: Advertised Proposals
Docket Item Nos. 1 through 4

Based upon the staff's recommendation, on motion of 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
(Resolution Nos. 19-12-008 through 19-12-014)
- Category D: Advertised Proposals
Approve Docket Items Nos 19-17 through 19-20
(Resolution Nos. 19-12-017 through 19-12-020)

VII. EXECUTIVE SESSION

The Chairman stated that the next order of business was discussions in Executive Session to consider matters before the Board which were confidential in nature. Upon motion of Ms. LeBlanc, seconded by Mr. Harris, the Board Members went into Executive Session at 10:07 a.m.

Upon motion of Mr. Arnold, seconded by Mr. Hollenshead, the Board reconvened in open session at 10:37 a.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion regarding the ConocoPhillips Company, Burlington Resources Oil & Gas and Louisiana Land & Exploration Company audits

Upon motion of Mr. Arnold, seconded by Mr. Watkins, the Board granted the Attorney General's office the authority to negotiate within the parameters discussed in Executive Session. No comments were made by the public. **(Resolution No. 19-12-021)**

- b. A discussion regarding the Square Mile Energy, LLC audit

Upon motion of Mr. Arnold, seconded by Ms. LeBlanc, the Board granted authority to the Attorney General's office to move forward as discussed in Executive Session. No comments were made by the public. **(Resolution No. 19-12-022)**

- c. A discussion regarding the Contango Operators, Inc. audit

Upon motion of Mr. Arnold, seconded by Ms. LeBlanc, the Board granted authority to the Attorney General's office to negotiate as discussed in Executive Session. No comments were made by the public. **(Resolution No. 19-12-023)**

- d. A discussion of proposed operating agreement language for Pruet Production Company

Upon motion of Mr. Harris, seconded by Mr. Arnold, the Board approved Staff's edits to the proposed agreement as discussed in Executive Session. No comments were made by the public. **(Resolution No. 19-12-024)**

- e. A discussion regarding the matter entitled: LLOX, L.L.C., LLOLA, L.L.C. and Wadi Petroleum, Inc. v. State of Louisiana, et al., Docket No. 787453, 24th Judicial District Court, Jefferson Parish

Upon motion of Mr. Harris, seconded by Mr. Arnold, and at the request of the Attorney General's office, this matter was passed to obtain additional information to present to the Board as discussed in Executive Session. No comments were made by the public. **(Resolution No. 19-12-025)**

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

VIII. AWARDING OF LEASES

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

Upon motion by Mr. Arnold, 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. 45208 to Krewe Energy, LLC
2. Award a lease on Tract No. 45212 to Marlin Exploration, L.L.C.
3. Award a lease on a portion of Tract No. 45213 to Krewe Energy, LLC
4. Award a lease on Tract No. 45214 to Theophilus Oil, Gas & Land Services, LLC
5. Award a lease on Tract No. 45215 to Theophilus Oil, Gas & Land Services, LLC
6. Award a lease on Tract No. 45216 to Theophilus Oil, Gas & Land Services, LLC
7. Award a lease on Tract No. 45217 to Theophilus Oil, Gas & Land Services, LLC
8. Award a lease on Tract No. 45218 to ReliaTerre, LLC
9. Award a lease on Tract No. 45219 to ReliaTerre, LLC
10. Award a lease on a portion of Tract No. 45222 to Hilcorp Energy I, L.P.
11. Award a lease on a portion of Tract No. 45233 to Cypress Energy Corporation
12. Award a lease on a portion of Tract No. 45234 to Cypress Energy Corporation
13. Award a lease on a portion of Tract No. 45240 to Hilcorp Energy I, L.P.

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

This concluded the awarding of the leases.

IX. NEW BUSINESS

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

No new business was presented.

X. ANNOUNCEMENTS

Mr. Manuel stated that the thirteen (13) leases awarded totaled \$344,171.00 for the December 11, 2019 Lease Sale bringing the fiscal year total to \$1,061,365.30.


The Chairman then made an announcement that Mr. Emile Cordaro and Mr. Theodore Haik, Jr. had announced that they were leaving the Board. He requested that a resolution be passed thanking them for their years of service and dedication to the Board and wish them well in their future endeavors.

Upon motion of Mr. Harris, seconded by Ms. LeBlanc, the Board requested that Staff draft a resolution thanking Mr. Cordaro and Mr. Haik for their years of service and dedication to the Board and wish them well in their future endeavors. No comments were made by the public. **(Resolution No. 19-12-026)**

XI. ADJOURNMENT

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Watkins, seconded by Mr. Haik, the meeting was adjourned at 10:48 a.m.

Respectfully Submitted,



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-001 (LEASE REVIEW)

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

WHEREAS, Mr. Bradbury of the Office of Mineral Resources made a report of a late force majeure request by Expert Oil & Gas LLC (“Expert”) affecting State Leases 19202, 19203, 19204, 19205, 19206 and 19232 in Lake Salvador Field, Saint Charles Parish, Louisiana; and,

WHEREAS, on October 9, 2019, Expert reported that Shell Pipeline Company terminated service of the oil pipeline to the production facility through which Expert sold oil on September 2, 2018; and,

WHEREAS, on June 27, 2019, Expert reported that production was restored from their facility after installing oil barging facilities; and,

WHEREAS, Expert requests after-the-fact recognition of the force majeure events for both instances; and,

WHEREAS, according to the Board’s 2005 Force Majeure Policy, the Board reserved its ability to recognize a force majeure upon notice more than 90 days after the occurrence of the event; and,


WHEREAS, State Leases 19202, 19203, 19204, 19205, 19206 and 19232 cannot be maintained by any other means under the lease other than the recognition of a force majeure and would otherwise expire.

WHEREAS, Expert has submitted the initial report by submitting a notarized affidavit attesting to the facts in this matter;

NOW THEREFORE BE IT RESOLVED that the Louisiana State Mineral and Energy Board, in consideration of the facts stated herein, by these present does hereby recognize and acknowledge after-the-fact the force majeure events affecting State Leases 19202, 19203, 19204, 19205, 19206 and 19232 for the periods of September 2, 2018 through June 27, 2019. In addition the Board further requires that Expert amend these leases to replace Shut-in payment (Paragraph 6(d)) and Force Majeure (Paragraph 13) with the updated language for Shut-in Payments (Article 3(D)) and Force Majeure and Suspending Events (Article 5) included in the 2019 lease form.

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 December 11, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Authority to Advertise
Tracts for January 8,
2020 and February 12,
2020 Lease Sale

RESOLUTION #19-12-002

(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Emile Fontenot reported that nineteen (19) tract(s) were nominated for the January 8, 2020 and fourteen (14) tract(s) for the February 12, 2020 Mineral Lease Sale, and requested that same be advertised pending staff review;

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

That the State Mineral and Energy Board grant approval to advertise all such tract(s) for the January 8, 2020 and February 12, 2020 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 December 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Dynamic Offshore
Resources, LLC

RESOLUTION #19-12-03 (AUDIT REPORT)

WHEREAS, a letter of application was made by Dynamic Offshore Resources, LLC for a credit adjustment of \$515,018.97 for the West Cameron Block 21 Field, State Lease Nos. 18287 due to overpayment of gas royalties and incorrectly reporting crude oil for the period of August 2012 through April 2014;

WHEREAS, the Mineral Income Division has verified that an overpayment in the amount of \$515,018.97 was made and that the applicant is entitled to a credit adjustment; and

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

NOW, BE IT THEREFORE RESOLVED that the Board does hereby authorize and direct the Mineral Income Director to issue a check in the amount of \$515,018.97 to Fieldwood Energy Onshore 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 11th day of December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said 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

Dynamic Offshore
Resources, LLC

RESOLUTION #19-12-04 (AUDIT REPORT)

WHEREAS, a letter of application was made by Dynamic Offshore Resources, LLC for a credit adjustment of \$89,294.16 for the Breton Sound Block 53 Field, State Lease Nos. 3770 due to overpayment of oil royalties for the period of February 2013 and October 2013;

WHEREAS, the Mineral Income Division has verified that an overpayment in the amount of \$89,294.16 was made and that the applicant is entitled to a credit adjustment; and

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

NOW, BE IT THEREFORE RESOLVED that the Board does hereby authorize and direct the Mineral Income Director to issue a check in the amount of \$89,294.16 to Fieldwood Energy Onshore 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 11th day of December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said 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

Dynamic Offshore
Resources, LLC

RESOLUTION #19-12-05 (AUDIT REPORT)

WHEREAS, a letter of application was made by Dynamic Offshore Resources, LLC for a credit adjustment of \$112,068.24 for the Breton Sound Block 53 Field, State Lease Nos. 12806, 15683, 17674, 17675, and 17942 due to overpayment of oil royalties for the period of February 2013 and December 2013;

WHEREAS, the Mineral Income Division has verified that an overpayment in the amount of \$112,068.24 was made and that the applicant is entitled to a credit adjustment; and

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, BE IT THEREFORE RESOLVED that the Board does hereby authorize and direct the Mineral Income Director to issue a check in the amount of \$112,068.24 to Fieldwood Energy Onshore 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 11th day of December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Louisiana State Mineral and Energy Board and is now in full force and effect.



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #19-12-006

(LEGAL & TITLE CONTROVERSY REPORT)

Hilcorp Energy Company
request for approval of a
Deep Lake Field Barge
Installation project affecting
State Lease No. 2340.

WHEREAS, a request by Hilcorp Energy Company (Hilcorp) to the State Mineral and Energy Board (Board) for approval of a Deep Lake Field Barge Installation project affecting State Lease No. 2340 in the Rockefeller WMA, Cameron and Vermilion Parishes, Louisiana; and

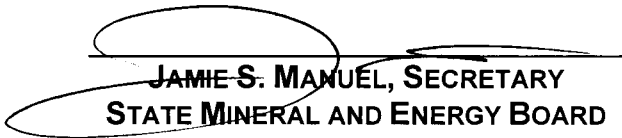
WHEREAS, Staff recommended that the Board grant approval of the aforementioned request; and

ON MOTION of Mr. Harris, 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 State Mineral and Energy Board does hereby approve the foregoing request by Hilcorp Energy Company for a Deep Lake Field Barge Installation project affecting State Lease No. 2340 in the Rockefeller WMA, Cameron and Vermilion Parishes, Louisiana

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 December, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #19-12-007

(LEGAL & TITLE CONTROVERSY REPORT)

SMEB Approval of Draft
Security Interest Provision for
inclusion in New Lease Form.

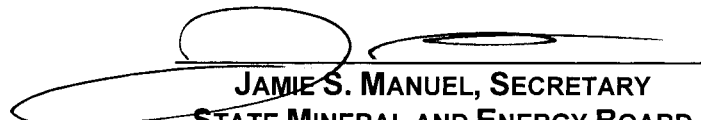
WHEREAS, a discussion was held of the draft security interest provision for the consideration and approval of the State Mineral and Energy Board (Board) for inclusion in the New Lease Form; and

ON MOTION of Mr. Watkins, seconded by Mr. Haik, 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 does hereby approve the inclusion of the attached draft security interest provision in the New Lease Form.

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 December, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-008

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the December 11, 2019 meeting be approved, said instrument an Assignment from Theophilus Oil, Gas & Land Services, LLC to Justiss Oil Company, Inc., of all of Assignor's right, title and interest in and to State Lease No. 21794, Grant and LaSalle Parishes, Louisiana, with further particulars being stipulated in the instrument.

Justiss Oil Company, Inc. is designated as the joint account Lessee (contact company) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

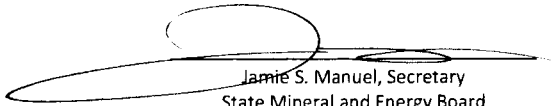
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-009

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the December 11, 2019 meeting be approved, said instrument an Assignment from Cypress Energy Corporation to Comstock Oil & Gas-Louisiana, LLC, of all of Assignor's right, title and interest in and to State Lease No. 21921, Red River Parish, Louisiana, with further particulars being stipulated in the instrument.

Comstock Oil & Gas-Louisiana, 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;

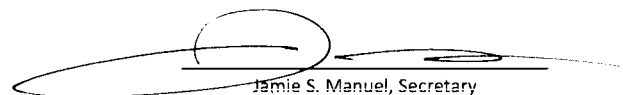
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-010

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the December 11, 2019 meeting be approved, said instrument an Assignment from Houston Energy, LP, of an undivided 60.9375% interest to the following in the proportions set out below:

CSL CM, LP	52.8125%
EF VC30, LP	4.0625%
Basin Minerals, LLC	4.0625%

in and to State Lease No. 21876, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

Houston Energy, LP 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;

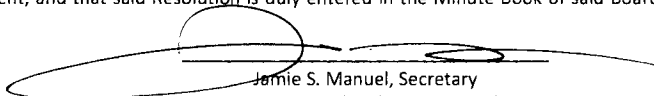
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-011

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the December 11, 2019 meeting be approved, said instrument an Assignment from Castex E&P, LLC to Castex Energy Partners, LLC, GOME 1271, LLC, Castex Energy 2016, LP, CSL Exploration, LP and CSL CM II, of all of Assignor's right, title and interest in and to State Lease Nos. 21608, 21611, 21612, 21613, 21614, 21615, 21616, 21676 and 21677, Terrebonne Parish, Louisiana, **EXCEPT** for State Leases Nos. 21608, 21615 and 21616 Castex E&P, LLC reserves a 1% of 8/8ths working interest, as described on the attached "Exhibit A-1", with further particulars being stipulated in the instrument.

Castex Energy Partners, 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 December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-012

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the December 11, 2019 meeting be approved, said instrument an Assignment from Castex Energy Partners, LLC to Apache Corporation, an undivided 30.00% interest in and to Operating Agreement "A0383", Terrebonne Parish, Louisiana, with further particulars being stipulated instrument.

Castex Energy Partners 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 December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-013

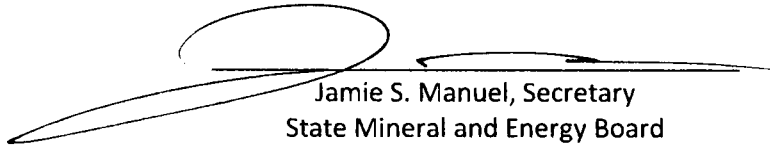
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the December 11, 2019 meeting be approved being a Correction of Resolution No. 17-03-051, Docket Item No. 40 from the March 8, 2017 Meeting, being an Assignment from J-W Operating Company to Aethon United BR LP and PEO Haynesville Holdco, LLC, whereas State Lease No. 18244 was inadvertently added to said resolution and is hereby being deleted, affecting State Lease No. 18244, Bossier Parish, Louisiana.

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 December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-014

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 7 from the December 11, 2019 meeting be approved, said instrument a Change of Name whereas Upstream Exploration LLC is changing its name to Southern Oil of Louisiana LLC, affecting State Lease Nos. 12806, 15683, 17674, 17675, 17689, 17691, 17767, 17860, 17861, 17863, 17942, 17965, 18549, 18550, 19050, 19051, 19052, 19079, 19079, 19080, 19347, 19391, 19669, 20423, 21514, 21515, 21516, 21543, 21819, 21820, 21821, 21825, 21826 and 21864, Plaquemines Parish, 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;

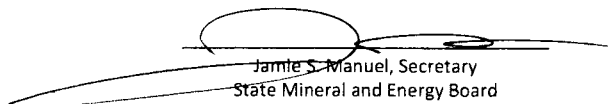
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-015

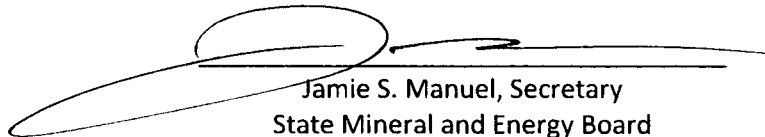
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 8 from the December 11, 2019 meeting be approved being a Correction of Resolution No. 18-005-009, Docket Item No. 3 from the May 9, 2018 Meeting, being a Change of Name from Castex Energy Partners, L.P. to Castex Energy Partners, LLC, whereas State Lease No. 20753 was omitted from said resolution and is hereby being added, affecting State Lease No. 20753, St. Mary Parish, Louisiana.

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 December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-016

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket item No. 9 from the December 11, 2019 meeting be approved, said instrument an Assignment from Castex Energy Partners, LLC, a 61.94046% of 8/8ths interest to the following in the proportions set out below:

GOME 1271 LLC	40.453300%
Castex Energy 2016, LP	4.542080%
CSL Exploration, LP	12.906250%
CSL CM II, LP	0.573830%
Boomer Exploration LLC	3.375000%

in and to Operating Agreement "A0383", Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Castex Energy Partners, 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;

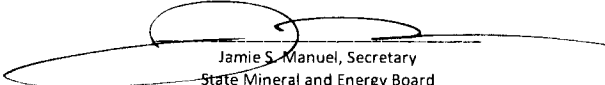
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-017

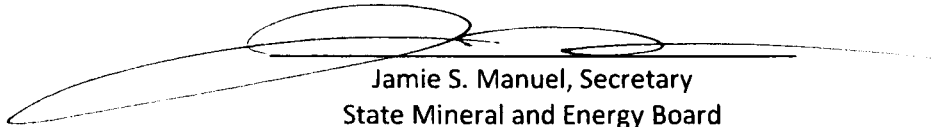
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19-17 from the December 11, 2019 meeting be approved being a Lease Extension and Amendment by and between the State Mineral and Energy Board, Six Pines Exploration, LLC, SRX3, LLC, Pecunoleum Drilling Fund, LLC, Welch Energy, LLC, Vansant Resources, LLC, Deep South Energy, Inc., Energy Equities Incorporated and Patriot Production Group, L.L.C., whereas said parties agree to extend the primary term of State Lease No. 21692 from three (3) years to five (5) years, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-018

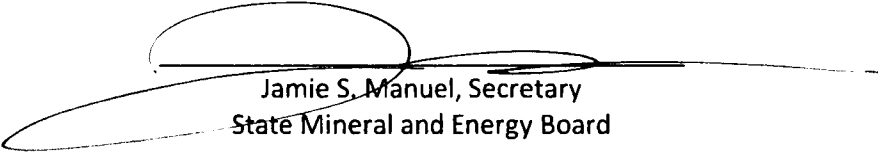
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19-18 from the December 11, 2019 meeting be approved being a Lease Extension and Amendment by and between the State Mineral and Energy Board, Six Pines Exploration, LLC, SRX3, LLC, Pecunoleum Drilling Fund, LLC, Welch Energy, LLC, Vasant Resources, LLC, Deep South Energy, Inc., Energy Equities Incorporated and Patriot Production Group, L.L.C., whereas said parties agree to extend the primary term of State Lease No. 21693 from three (3) years to five (5) years, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-019

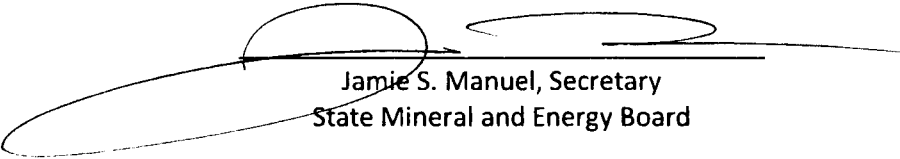
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19-19 from the December 11, 2019 meeting be approved being a Lease Extension and Amendment by and between the State Mineral and Energy Board, Six Pines Exploration, LLC, SRX3, LLC, Pecunoleum Drilling Fund, LLC, Welch Energy, LLC, Vansant Resources, LLC, Deep South Energy, Inc., Energy Equities Incorporated and Patriot Production Group, L.L.C., whereas said parties agree to extend the primary term of State Lease No. 21694 from three (3) years to five (5) years, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-12-020

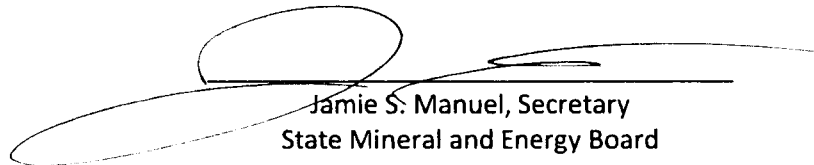
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19-20 from the December 11, 2019 meeting be approved being a Lease Extension and Amendment by and between the State Mineral and Energy Board, Six Pines Exploration, LLC, SRX3, LLC, Pecunoleum Drilling Fund, LLC, Welch Energy, LLC, Vansant Resources, LLC, Deep South Energy, Inc., Energy Equities Incorporated and Patriot Production Group, L.L.C., whereas said parties agree to extend the primary term of State Lease No. 21695 from three (3) years to five (5) years, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of December, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: ConocoPhillips Company,
Burlington Resources Oil &
Gas and Louisiana Land &
Exploration Company audits

RESOLUTION # 19-12-021

(EXECUTIVE SESSION)

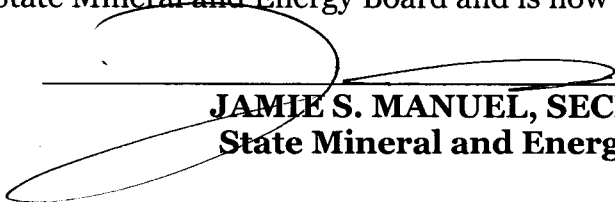
WHEREAS, a discussion was held in Executive Session regarding the ConocoPhillips Company, Burlington Resources Oil & Gas and Louisiana Land & Exploration Company audits;

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 within the parameters 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 December, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Square Mile Energy, LLC
audit

RESOLUTION # 19-12-022

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding the Square Mile Energy, LLC audit;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's office to move forward 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 December, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Contango Operators, Inc.
audit

RESOLUTION # 19-12-023

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding the Contango Operators, Inc. audit;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Attorney General's office to negotiate 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 December, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Proposed Operating
Agreement language for Pruet
Production Company

RESOLUTION # 19-12-024

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding proposed operating agreement language for Pruet Production Company;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby approved Staff's edits to the proposed agreement 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 December, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: LLOX, L.L.C., LLOLA,
L.L.C. and Wadi Petroleum,
Inc. v. State of LA, et al.,
#787453, 24th JDC
Jefferson Parish

RESOLUTION # 19-12-025

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding the matter entitled: LLOX, L.L.C., LLOLA, L.L.C. and Wadi Petroleum, Inc. v. State of Louisiana, et al., Docket No. 787453, 24th Judicial District Court, Jefferson Parish;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board granted the request of the Attorney General's office to pass this matter in order to obtain additional information to present to the Board 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 December, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 19-12-026

(ANNOUNCEMENTS)

WHEREAS, the State Mineral and Energy Board and the Staff of the Office of Mineral Resources wish to recognize the hard work and years of dedication of Emile B. Cordaro and Theodore M. "Ted" Haik, Jr. during their tenure on the State Mineral and Energy Board;

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 and the Staff of the Office of Mineral Resources with heartfelt appreciation for their selfless dedication does hereby express its deepest respect and admiration for Emile B. Cordaro and Theodore M. "Ted" Haik Jr. during their tenure on the State Mineral and Energy Board.

NOW THEREFORE, BE IT FURTHER RESOLVED that the State Mineral and Energy Board and the Staff of the Office of Mineral Resources, on behalf of the citizens of this great state, thank Emile B. Cordaro and Theodore M. "Ted" Haik Jr. for giving themselves in service to the public and wishes them well in their future endeavors.

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 December, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board