

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE AND BOARD MEETING

SEPTEMBER 11, 2019

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
September 11, 2019

A public meeting for the purpose of opening sealed bids was held on Wednesday, September 11, 2019, beginning at 8:30 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. 45180 through 45198 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 Fontenot stated that there were no tracts to be withdrawn from today's Lease Sale.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 45186

Bidder	:	Vine Oil & Gas, LP
Primary Term	:	Three (3) years
Cash Payment	:	\$15,000.00
Annual Rental	:	\$7,500.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45190

Bidder	:	Dunn Exploration Company, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$8,600.00
Annual Rental	:	\$4,300.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45191
(Portion Bid: 494 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$108,680.00
Annual Rental	:	\$54,340.00
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 45195

Bidder	:	Vine Oil & Gas LP
Primary Term	:	Three (3) years
Cash Payment	:	\$1,250.00
Annual Rental	:	\$625.00
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

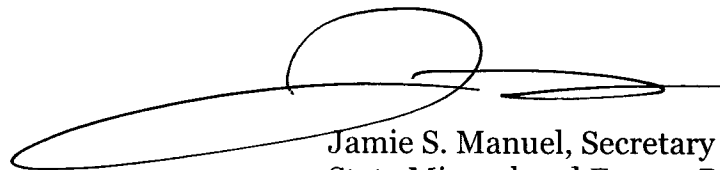
Tract 45198

Bidder	:	Dunn Exploration Company, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$5,088.00
Annual Rental	:	\$2,544.00
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 8:38 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
September 11, 2019

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, September 11, 2019**, beginning at 9:39 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
Beverly Hodges, Undersecretary
Rochelle A. Michaud-Dugas
Robert D. Watkins
J. Todd Hollenshead
Theodore M. "Ted" Haik, Jr.

The following members of the Board were recorded as absent:

Emile B. Cordaro
Thomas L. Arnold, Jr.
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 AUGUST 13th & AUGUST 14, 2019 MINUTES

The Chairman stated that the first order of business was the approval of the August 13, 2019 and August 14, 2019 Minutes. A motion was made by Ms. Michaud-Dugas to adopt the Minutes as submitted and to waive reading of same. Her motion was seconded by Mr. Watkins 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
September 11, 2019
(Resolution No. 19-09-001 and 19-09-002)

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 1,140 active State Leases containing approximately 483,353 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 124 leases covering approximately 31,987 acres for lease maintenance and development issues.

II. BOARD REVIEW

1. A staff report on State Lease 1170, Hog Bayou Offshore Field, Cameron Parish. Hilcorp Energy 1, L.P. is the lessee. Upon motion of Mr. Haik, seconded by Mr. Watkins, the Board approved staff recommendation to accept the partial release and to place the lease on staff review.
2. A staff report on State Leases 3306 and 4011, Redfish Point Field, Vermilion Parish. Hilcorp Energy 1, L.P. is the lessee. Upon motion of Mr. Haik, seconded by Ms. Hodges, the Board approved staff recommendation to accept the partial releases and to place the leases on staff review.

III. FORCE MAJEURE

There were no Force Majeure Items brought before the Board today.

b) NOMINATION AND TRACT REPORT
September 11, 2019
(Resolution No(s). 19-09-003, 19-09-004)

The Board heard the report of Mr. Emile Fontenot on Wednesday September 11, 2019 relative to nominations received in the Office of Mineral Resources for the November 13, 2019 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of **Ms. LeBlanc**, duly seconded by **Mr. Watkins**, 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. 19-09-004)**

A request from the applicant to withdraw Tract No. 45187 due to improper advertisement. On the recommendation from Staff and on the motion of **Mr. Hollenshead**, duly seconded by **Mr. Watkins**, the board voted unanimously to withdraw said tract from the September 11, 2019 lease sale and grant the Staff the authority to advertise said tract at a later lease sale. **(Resolution No. 19-09-003)**

c) AUDIT REPORT
September 11, 2019

The first matter considered by the Board was the election of the September 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
September 11, 2019
(Resolution Nos. 19-09-005 thru 19-09-09)

The first matter considered by the State Mineral and Energy Board (Board) was a request from Castex Energy Partners, LLC (Castex) to extend the authority to escrow funds derived from production on State Lease No. 21615 No. 1 Well bearing Serial No. 250499 on disputed acreage lying within the DISC 12 RA SUA Unit located in Bayou Goreau Field, Terrebonne Parish, Louisiana, granted under Resolution #18-10-005 dated October 10, 2018.

Staff reported that royalties due from production secured from this well may be associated with State Lease Nos. 21608, 21615 and 21616. Castex has complied with the Board's escrow requirements as it relates to reporting and bank statement submission.

Staff recommended that the Board extend the authority to Castex Energy Partners, LLC to escrow funds granted under Resolution #18-10-005 until March 11, 2020.

Upon motion of Mr. Hollenshead, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the Board voted to approve the request from Castex in the above referenced matter. There were no comments from the public. **(Resolution No. 19-09-005)**

The second matter considered by the Board was a request from Hilcorp Energy I, L.P. (Hilcorp) to extend the authority to escrow funds derived from production on State Lease Nos. 21620 and 21782 on disputed acreage lying within the BIG 2 RA SUA located in Lake Raccourci Field, Lafourche Parish, Louisiana, for a period of sixty (60) days or until November 13, 2019.

Staff reported that various bona fide title disputes exist between the State of Louisiana and The Louisiana Land and Exploration Company, LLC with respect to certain lands within this unit, being unit tracts 1 (53.83 acres) and 2 (116.52 acres).

Staff continued that the BIG 2 RA SUA Unit contains 654.27 acres and is producing. Hilcorp anticipates to file a concursus before the end of the sixty (60) day extension period.

Staff recommended that the Board extend the authority to Hilcorp Energy I, L.P. to escrow funds derived from production on the aforementioned leases within the BIG 2 RA SUA until November 13, 2019.

Upon motion of Mr. Hollenshead, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the Board voted to approve the request from Hilcorp Energy I, L.P. to extend the authority to escrow funds derived from production on State Lease Nos. 21620 and 21782 on disputed acreage lying within the BIG 2 RA SUA located in Lake Raccourci Field, Lafourche Parish, Louisiana, for a period of sixty (60) days or until November 13, 2019. There were no comments from the public. **(Resolution No. 19-09-006)**

The third matter brought before the Board was a request from Staff to extend authority to negotiate an Operating Agreement (OA) with Wooldridge Land & Cattle LLC affecting five (5) acres of unleased State owned lands (B1072, formerly State Lease No. 6375) in Caddo Pine Island Field, Caddo Parish, Louisiana, and to take the acreage out of commerce until March 11, 2020 or until the OA is confected, whichever occurs first.

Staff recommended that the aforementioned request be extended until March 11, 2020 or until the OA is confected, whichever occurs first.

Upon motion of Ms. Michaud-Dugas, seconded by Ms. LeBlanc, and by unanimous vote of the Board, the Board voted to approve the request from Staff affecting five (5) acres of unleased State owned lands (B1072, formerly State Lease No. 6375) in Caddo Pine Island Field, Caddo Parish, Louisiana, and to take the acreage out of commerce until March 11, 2020 or until the OA is confected, whichever occurs first. There were no comments from the public. **(Resolution No. 19-09-007)**

The fourth matter brought before the Board was a presentation from Mr. Pat Theophilus, Owner/President of Theophilus Oil, Gas and Land Services, LLC, regarding a force majeure suspensive time period that would defer the due date of any rental payment by the number of days the lessee was prevented from operating on the leased premises, that was requested by the State Mineral and Energy Board at the August 2019 meeting.

This matter also included a request from Theophilus Oil, Gas and Land Services, LLC to amend State Lease No. 21829 and others with similar situations.

Staff recommended that this item be postponed to the October 9, 2019 Board Meeting to allow Staff more time to adequately research and make recommendations for this request.

Upon motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, and by unanimous vote of the Board, the Board voted to defer this matter to the October 9, 2019 State Mineral and Energy Board Meeting. Public comments were received from Mr. Pat Theophilus of Theophilus Oil, Gas and Land Services, LLC. There were no comments from the public. **(Resolution No. 19-09-008)**

The fifth matter brought before the Board was a report from Staff on the draft security interest provision for the Proposed New Lease Form and a conditional request by Staff for approval to submit the draft security interest provision to the Louisiana Senate Committee on Natural Resources and the House Committee on Natural Resources and Environment in accordance with Act No. 403 of the 2019 Regular Legislative Session.

Staff recommended that the Board conditionally approve submitting the draft security interest provision to the Louisiana Senate Committee on Natural Resources and the House Committee on Natural Resources and Environment in accordance with Act No. 403 of the 2019 Regular Legislative Session.

Upon motion of Mr. Haik, seconded by Mr. Watkins, and by unanimous vote of the Board, the Board voted to approve submitting the draft security interest provision for the Proposed New Lease Form to the Louisiana Senate Committee on Natural Resources and the House Committee on Natural Resources and Environment in accordance with Act No. 403 of the 2019 Regular Legislative Session. There were no comments from the public. **(Resolution No. 19-09-009)**

The sixth matter brought before the Board was an update from Staff on the Proposed New Lease Form to the State Mineral and Energy Board.

OMR Assistant Secretary Jamie Manuel reported that all of the articles of the Proposed New Lease Form had been preliminarily accepted by the Board and that the next step will be to meet on Tuesday, October 8, 2019, to review the final revisions that have been made to the Proposed New Lease Form from recently received requests from the public and industry representatives.

Assistant Secretary Manuel continued that any concerns by Board Members in reference to the preliminarily accepted Articles of the Proposed New Lease Form will also be addressed at the October Tuesday meeting. This matter was an update only and there was no action necessary. There were no comments from the public.

e) DOCKET REVIEW REPORT
September 11, 2019
(Resolution No(s). 19-09-010 thru 19-09-017)

The Board heard the report from Emile Fontenot on Wednesday, September 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 7
- Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category
- Category D: Advertised Proposals
Docket Item No. 1

Based upon the staff's recommendation, on motion of Ms. LeBlanc, 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 7
(Resolution Nos. 19-09-010 through 19-09-016)
- Category D: Advertised Proposals
Approve Docket Item No. 1
(Resolution No. 19-09-017)

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. Watkins, the Board Members went into Executive Session at 10:23 a.m.

Upon motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the Board reconvened in open session at 10:43 a.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion and request by Staff for authority to make an offer to Pruet Production Co. regarding the proposed terms for a Settlement and Operating Agreement involving 9 disputed acres of State owned water bottoms known as Middle Fork Bayou in Township 20 North, Range 3 West, Middle Fork Field, Lincoln Parish, Louisiana

Upon motion of Ms. LeBlanc, seconded by Mr. Hollenshead, the Board granted authority to Staff to negotiate this matter as discussed in Executive Session. No comments were made by the public. **(Resolution No. 19-09-018)**

- b. 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 Ms. Michaud-Dugas, seconded by Ms. Hodges, the Board unanimously voted to accept Staff's recommendations as follows:

1. Award a lease on Tract No. 45186 to Vine Oil & Gas, LP
2. Award a lease on Tract No. 45190 to Dunn Exploration Company, LLC
3. Award a lease on a portion of Tract No. 45191 (494 acres) to Hilcorp Energy I, L.P.
4. Award a lease on Tract No. 45195 to Vine Oil & Gas LP
5. Award a lease on Tract No. 45198 to Dunn Exploration Company, LLC

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

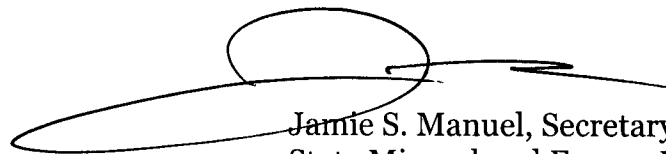
Mr. Manuel stated that the five (5) leases awarded totaled \$138,618.00 for the September 11, 2019 Lease Sale bringing the fiscal year total to \$694,111.30.

The Chairman asked that we all take a moment to remember all those who lost their lives in 2001 on this day.

XI. ADJOURNMENT

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

Respectfully Submitted,

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line that extends to the right and then curves back under the main loop.

Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-09-001 (Lease Review)

On motion of Mr. Haik, seconded by Mr. Watkins, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board:

WHEREAS, the State Mineral and Energy Board (SMEB) last reviewed State Lease 1170, Hog Bayou Field, Cameron Parish, on October 10, 2018, whereby the SMEB accepted staff's recommendation to place Hilcorp on demand to drill their deep wildcat prospect by the second quarter or release approximately 20% of the non-productive acreage over the lease; and

WHEREAS, Hilcorp, by email dated June 12, 2019, provided a plat depicting a partial release of acreage over the lease for the staff's review. The staff concurred with Hilcorp's partial release plat and by August 12, 2019, Hilcorp had executed and recorded a partial release of 632 acres over the lease.

NOW THEREFORE BE IT RESOLVED that the State Mineral and Energy Board adopted staff's recommendation to accept the partial release and to place State Lease 1170 on staff review.

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 the 11th day of September, 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

Resolution #19-09-002 (Lease Review)

On motion of Mr. Haik, seconded by Ms. Hodges, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board:

WHEREAS, the State Mineral and Energy Board (SMEB) last reviewed State Leases 3306 and 4011, Redfish Point Field, Cameron Parish, on October 10, 2018; whereby the SMEB accepted staff's recommendation that Hilcorp be placed on demand to acquire the 3-D seismic data over the field by the first quarter of 2019 or release 20% of the non-productive acreage over each lease, Cameron Parish; and

WHEREAS, Hilcorp, by email dated June 12, 2019, provided plats depicting partial releases of acreage over the leases for the staff's review. The staff concurred with Hilcorp's partial release plats and by August 12, 2019, Hilcorp had executed and recorded partial releases of 273 acres over State Lease 3306 and 279 acres over State Lease 4011.

NOW THEREFORE BE IT RESOLVED that the State Mineral and Energy Board adopted staff's recommendation to accept the partial releases and to place State Leases 3306 and 4011 on staff review.

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 the 11th day of September, 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

Withdraw Tract 45187
from the September 11,
2019 Lease Sale

Resolution #19-09-003

(NOMINATION AND TRACT REPORT)

WHEREAS, the Staff presented a recommendation to withdraw Tract No. 45187 from the September 11, 2019 Lease Sale and be granted authority for said tract to be advertised at a later date;

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

That the State Mineral and Energy Board grant final approval to withdraw said tract for the September 11, 2019 Mineral Lease Sale and be granted authority to be advertised at a later date;

NOW, BE IT THEREFORE RESOLVED, that the State Mineral and Energy Board does hereby approve and authorize the withdrawal of said tract from the September 11, 2019 Lease Sale, and to otherwise approve the Nomination and Tract Report.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 11th day of September 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

Authority to Advertise
Tracts for November 13,
2019 Lease Sale

RESOLUTION #19-09-004

(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Emile Fontenot reported that fifteen (15) tract(s) were nominated for the November 13, 2019 Mineral Lease Sale, and requested that same be advertised pending staff review;

ON MOTION of Ms. LeBlanc, seconded by Mr. Watkins, 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 November 13, 2019 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 September 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

RESOLUTION #19-09-005

Castex Energy Partners, LLC
Request to Extend Authority
to Escrow Funds - State
Lease No 21615 No 1 Well

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, Castex Energy Partners, LLC (Castex) requests authority to extend escrow royalty payments initially granted by the State Mineral and Energy Board (Board) under Resolution No. 18-10-005 to escrow funds derived from production on State Lease No. 21615 No. 1 Well bearing Serial No. 250499 on disputed acreage lying within the DISC 12 RA SUA Unit located in Bayou Goreau Field, Terrebonne Parish, Louisiana; and

WHEREAS, Staff reported that royalties due from production secured from this well may be associated with State Lease Nos. 21608, 21615 and 21616. Castex has complied with the Board's escrow requirements as it relates to reporting and bank statement submission; and

WHEREAS, Staff recommended that the Board extend the authority to Castex to escrow funds granted under Resolution #18-10-005 for the aforementioned until March 11, 2020;

ON MOTION of Mr. Hollenshead, seconded by Ms. Michoud-Dugas, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED that the request by Castex Energy Partners, LLC, to extend escrow royalty payments initially granted by the Board under Resolution No. 18-10-005 attributable to State Lease No. 21615 No. 1 Well (Serial No. 250499) on disputed acreage lying within the DISC 12 RA SUA Unit, Bayou Goreau Field, Terrebonne Parish, Louisiana, affecting for the aforementioned until the March 11, 2020 State Mineral and Energy Board Meeting is hereby approved.

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


JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #19-09-006

(LEGAL & TITLE CONTROVERSY REPORT)

Hilcorp Energy I, L.P.
Request to Extend Authority
to Escrow Funds - State
Lease Nos 21620 & 21782

WHEREAS, Hilcorp Energy I, L.P. (Hilcorp) requests authority to extend escrow royalty payments initially granted by the State Mineral and Energy Board (Board) under Resolution No. 19-03-007 to escrow funds derived from production on State Lease Nos. 21620 and 21782 on disputed acreage lying within the BIG 2 RA SUA located in Lake Raccourci Field, Lafourche Parish, Louisiana, for a period of sixty (60) days or until November 13, 2019; and

WHEREAS, Staff reported that various bona fide title disputes exist between the State of Louisiana and The Louisiana Land and Exploration Company, LLC with respect to certain lands within this unit, being unit tracts 1 (53.83 acres) and 2 (116.52 acres); and

WHEREAS, Staff reported that the BIG 2 RA SUA Unit contains 654.27 acres and is producing – Hilcorp anticipates to file a concursus before the end of the sixty (60) day extension period; and

WHEREAS, Staff recommended that the Board extend the authority to Hilcorp Energy I, L.P. to escrow funds derived from production on the aforementioned leases within the BIG 2 RA SUA until November 13, 2019;

ON MOTION of Mr. Hollenshead, seconded by Ms. Michoud-Dugas, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED that the request by Hilcorp Energy I, L.P. to extend escrow royalty payments initially granted by the State Mineral and Energy Board under Resolution No. 19-03-007 to escrow funds derived from production on State Lease Nos. 21620 and 21782 on disputed acreage lying within the BIG 2 RA SUA located in Lake Raccourci Field, Lafourche Parish, Louisiana, for a period of sixty (60) days or until November 13, 2019, is hereby approved.

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


JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #19-09-007

(LEGAL & TITLE CONTROVERSY REPORT)

Wooldridge Land & Cattle
LLC - Request to Extend
Authority Negotiate
Operating Agreement –
B1072 & SL No 6375

WHEREAS, Staff requests authority to extend negotiations for an Operating Agreement (OA) with Wooldridge Land & Cattle LLC (Wooldridge) initially granted by the State Mineral and Energy Board (Board) under Resolution No. 19-06-014 affecting five (5) acres of unleased State owned lands (B1072, formerly State Lease No. 6375) in Caddo Pine Island Field, Caddo Parish, Louisiana, and to take the acreage out of commerce until March 11, 2020 or until the OA is completed, whichever occurs first; and


WHEREAS, Staff recommended that the Board extend Staff authority to negotiate an OA with Wooldridge Land & Cattle LLC affecting five (5) acres of unleased State owned lands (B1072, formerly State Lease No. 6375) in Caddo Pine Island Field, Caddo Parish, Louisiana, and to take the acreage out of commerce until March 11, 2020 or until the OA is completed, whichever occurs first;

ON MOTION of Ms. Michoud-Dugas, seconded by Ms. LeBlanc, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED that the request by Staff for authority to extend negotiations for an Operating Agreement with Wooldridge Land & Cattle LLC on the aforementioned, is hereby approved.

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


JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #19-09-008

(LEGAL & TITLE CONTROVERSY REPORT)

Pat Theophilus Force
Majeure Suspensive
Time Period & Amended
SL No 21829

WHEREAS, Mr. Pat Theophilus, Owner/President of Theophilus Oil, Gas and Land Services, LLC, requested to perform a presentation in accordance with the State Mineral and Energy Board's request at the August 14, 2019 Board Meeting regarding a force majeure suspensive time period that would defer the due date of any rental payment by the number of days the lessee was prevented from operating on the leased premises and a request to amend State Lease No. 21829 and others with similar situations;

WHEREAS, Staff recommended that this item be postponed to the October 9, 2019 Board Meeting to allow Staff more time to adequately research and make recommendations for this request;

ON MOTION of Ms. Michoud-Dugas, seconded by Mr. Watkins, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED that the aforementioned presentation and request to amend State Lease No. 21829 and others with similar situations is deferred to the October 9, 2019 State Mineral and Energy Board Meeting.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 11th day of September, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #19-09-009

(LEGAL & TITLE CONTROVERSY REPORT)

SMEB Approval – Draft Security Interest Provision of New Lease Form
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WHEREAS, DNR Legal Staff presented a report to the State Mineral and Energy Board (Board) on the draft security interest provision for the Proposed New Lease Form; and

WHEREAS, DNR Legal Staff requested conditional approval by the Board for Staff to submit the draft security interest provision to the Louisiana Senate Committee on Natural Resources and the House Committee on Natural Resources and Environment in accordance with Act No. 403 of the 2019 Regular Legislative Session; and

WHEREAS, DNR Legal Staff recommended that the Board conditionally approve submitting the draft security interest provision for the Proposed New Lease Form to the Louisiana Senate Committee on Natural Resources and the House Committee on Natural Resources and Environment in accordance with Act No. 403 of the 2019 Regular Legislative Session.

WHEREAS, after careful consideration by the Board, a decision has been reached.

NOW, THEREFORE BE IT RESOLVED, upon motion of Mr. Haik, seconded by Mr. Watkins, and by unanimous vote of the Board, the State Mineral and Energy Board does hereby conditionally approve DNR Legal Staff submittal of the draft security interest provision to the Louisiana Senate Committee on Natural Resources and the House Committee on Natural Resources and Environment in accordance with Act No. 403 of the 2019 Regular Legislative Session.

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 September, 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 #19-09-010

(DOCKET)

On motion of Ms. LeBlanc, 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 September 11, 2019 meeting be approved, said instrument an Assignment from Petroleum Partners, L.L.C., of all of Assignor's right, title and interest to the following in the proportions set out below:

Aethon United BR, LP	90%
PEO Haynesville Holdco, LLC	10%

in and to State Lease No. 21918, Bossier Parish, Louisiana, with further particulars being stipulated in the instrument.

Aethon United BR, 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;

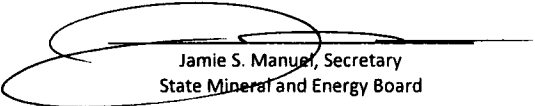
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 September, 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 #19-09-011

(DOCKET)

On motion of Ms. LeBlanc, 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 September 11, 2019 meeting be approved, said instrument an Assignment from Petroleum Partners, L.L.C., of all of Assignor's right, title and interest to the following in the proportions set out below:

Aethon United BR, LP	90%
PEO Haynesville Holdco, LLC	10%

in and to State Lease No. 21919, DeSoto Parish, Louisiana, with further particulars being stipulated in the instrument.

Aethon United BR, 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;

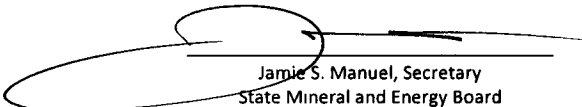
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 September, 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 #19-09-012

(DOCKET)

On motion of Ms. LeBlanc, 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 September 11, 2019 meeting be approved, said instrument an Assignment from Cypress Energy Corporation to Indigo Minerals LLC, of all of Assignor's right, title and interest in and to State Lease No. 21907, DeSoto and Natchitoches Parishes, Louisiana, with further particulars being stipulated in the instrument.

Indigo 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;

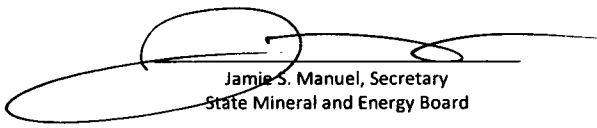
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 September, 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 #19-09-013

(DOCKET)

On motion of Ms. LeBlanc, 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. 4 from the September 11, 2019 meeting be approved, said instrument an Assignment from Cypress Energy Corporation to Indigo Minerals LLC, of all of Assignor's right, title and interest in and to State Lease No. 21920, Natchitoches Parish, Louisiana, with further particulars being stipulated in the instrument.

Indigo 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;

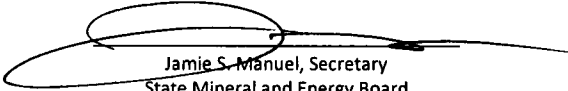
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 September, 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 #19-09-014

(DOCKET)

On motion of Ms. LeBlanc, 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 September 11, 2019 meeting be approved, said instrument an Assignment from Zachry Exploration, LLC to Square Mile Energy, LLC, an undivided 12.5% of 8/8ths interest in and to State Lease No. 20674, Acadia Parish, Louisiana, with further particulars being stipulated in the instrument.

Zachry Exploration, 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;

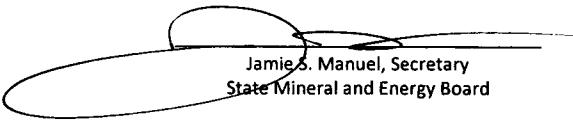
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 September, 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 #19-09-015

(DOCKET)

On motion of Ms. LeBlanc, 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 September 11, 2019 meeting be approved, said instrument an Assignment from Zachry Exploration, LLC to KIWENERGY, LTD., an undivided 6.25% of 8/8ths interest in and to State Lease No. 20674, Acadia Parish, Louisiana, with further particulars being stipulated in the instrument.

Zachry Explortion, 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;

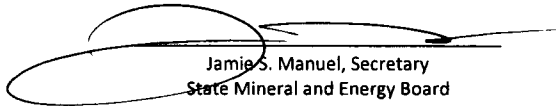
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 September, 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 #19-09-016

(DOCKET)

On motion of Ms. LeBlanc, 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 September 11, 2019 meeting be approved, said instrument an Assignment from Gulfport Energy Corporation to PEL Gulf Coast, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 50 and 340, Cameron, Iberia, St. Mary and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument.

PEL Gulf Coast, 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;

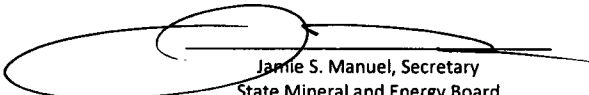
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 September, 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 #19-09-017

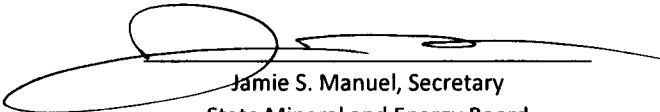
(DOCKET)

On motion of Ms. LeBlanc, 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. 19-16 from the September 11, 2019 meeting be approved, said instrument a Settlement, Receipt, and Release Agreement by and between the State of Louisiana, acting through its agent, the Louisiana State Mineral & Energy Board, Chevron U.S.A. Inc., Union Oil Company of California and Chevron U.S.A. Holdings Inc. (formerly Texaco Exploration and Production Inc.), whereas said parties mutually agree to settle and resolve outstanding audit issues, affecting State Lease Nos. 188, 192, 195, 199, 214, 301, 329, 334, 335, 340, 341, 356, 451, 540, 1247, 1249, 1365, 1367, 1393, 1486, 2203, 2412, 2413, 2703, 2724, 2826, 2856, 3263, 3306, 3839, 3840, 3841, 4418, 11151, 15108, 15110, 15470, 15855, 18640, 19266, B0356 and B1217, and Former State Lease Nos. 200, 478, 861, 872, 1021, 1217, 2857, 2869, 2986, 3090A, 3165, 3240, 3522, 3528, 3529, 3978, 4236, 4242, 4401, 4435, 4475, 5492, 5516, 5951, 13037, 13199, 13420, 15038, 15040, 15211, 15631, 15736, 15744, 15784, 15836, 16100, 16293, 16440, 16529, 16556, 16628, 16640, 18167, A0165 and B9956, Assumption, Cameron, Calcasieu, Iberia, Jefferson, Lafourche, Plaquemines, Red River, St. Bernard, St. Landry, St. Martin, St. Mary, Terrebonne and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of September, 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: Pruet Production Co.

RESOLUTION # 19-09-018

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding a request by Staff for authority to make an offer to Pruet Production Co. regarding the proposed terms for a Settlement and Operating Agreement involving nine (9) disputed acres of State owned water bottoms known as Middle Fork Bayou in Township 20 North, Range 3 West, Middle Fork Field, Lincoln Parish, Louisiana;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to Staff to negotiate this matter as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 11th day of September, 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