



# State of Louisiana

DEPARTMENT OF NATURAL RESOURCES  
OFFICE OF MINERAL RESOURCES  
STATE MINERAL AND ENERGY BOARD

## REGULAR MEETING

JUNE 14, 2023

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, June 14, 2023**, beginning at 9:45 a.m. in the LaBelle Room of the LaSalle Building, 617 N. 3<sup>rd</sup> Street, First Floor, Baton Rouge, Louisiana.

### I. CALL TO ORDER

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

### II. ROLL CALL

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

**W. Paul Segura, Jr., Chairman**  
**Carol R. LeBlanc, Vice-Chair**  
**J. Todd Hollenshead**  
**Robert D. Watkins**  
**Willie J. Young, Sr.**  
**Harvey "Ned" White**  
**Rochelle A. Michaud-Dugas**  
**Darryl D. Smith** (arrived at 10:15 am during the Audit Report)

The following members were recorded as absent:

**Thomas L. Arnold, Jr.**  
**Thomas F. Harris, DNR Secretary**  
**Harry J. Vorhoff, Governor John Bel Edwards Designee**

Chairman Segura announced that a quorum of seven (7) members was established.

### III. PLEDGE OF ALLEGIANCE

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

#### **IV. APPROVAL OF THE MAY 10, 2023 MINUTES**

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

A motion was made by Mr. Hollenshead to adopt the May 10, 2023 Minutes as submitted and to waive reading of the same. His motion was seconded by Mr. Watkins and unanimously adopted by the Board. (No public comments were made at this time.)

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

#### **V. STAFF REPORTS**

- a) **Lease Review Report** – Presented by Jason Talbot, Petroleum Scientist Manager, and Charles Bradbury, P.E., Petroleum Scientist Manager, Geology, Engineering and Land Division
- b) **Nomination and Tract Report** – Presented by Greg Roberts, Petroleum Lands Director, Geology, Engineering and Land Division
- c) **Audit Report** – Presented by Rachel Newman, Audit Director, Mineral Income Division
- d) **Legal and Title Controversy Report** – Presented by Greg Roberts, Petroleum Lands Director, Geology, Engineering and Land Division
- e) **Docket Review Report** – Presented by Greg Roberts, Petroleum Lands Director, Geology, Engineering and Land Division

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

**a) LEASE REVIEW REPORT**  
**JUNE 14, 2023**  
**(Resolution Nos. 23-06-001 through 23-06-003)**

**I. GEOLOGICAL AND ENGINEERING STAFF REVIEW**

According to the SONRIS database, there are 1,000 active State Leases containing approximately 421,847 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 112 leases covering approximately 35,017 acres for lease maintenance and development.

**II. BOARD REVIEW**

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

**III. ROYALTY REDUCTION PROGRAM REPORT**

Staff reported on the recognition of royalty reduction for State Lease Nos. 22013 and 22052 in South Pass Block 6 Field, Plaquemines Parish, Louisiana.

No action was required on this matter.

**IV. FORCE MAJEURE**

1. Mr. Charles Bradbury reported that Biglane Operating Company (Biglane) requested force majeure recognition concerning State Lease No. 4778 in Concordia Parish due to rising floodwaters from the Mississippi River and that the request was timely.

Mr. Bradbury further reported that Staff had recognized the force majeure condition and granted Biglane until the September 13, 2023 Board Meeting to restore production.

Staff recommended that the Board confirm recognition of this force majeure event.

Upon motion of Ms. Michaud-Dugas, seconded by Mr. Watkins and by unanimous vote of the Board, the Board recognized the force majeure condition and granted Biglane Operating Company until the September 13, 2023 Board Meeting to restore production. There were no comments from the public on this matter. **(Resolution No. 23-06-001)**

2. Mr. Charles Bradbury reported that Wapiti Operating LLC (Wapiti) requested an after-the fact recognition of a suspending event affecting State Lease Nos. 17376 and 17378 and acceptance of a late shut-in payment on State Lease No. 21764.

Mr. Bradbury further reported that all three (3) leases are located within the BBAT 28 RB SU unit.

Mr. Bradbury continued that the unit wells were shut-in on February 21, 2023 due to compressor failure and that due to delays in obtaining the proper equipment, Wapiti has been unable to restore production to the three (3) leases.

Mr. Bradbury stated that by oversight, Wapiti did not timely notify the Staff of their issues and Wapiti estimates that production may be restored as early as June 30, 2023 depending on whether the equipment arrives.

Mr. Bradbury further stated that in consideration of this request, Wapiti has offered to release approximately 445.54 acres of State Lease Nos. 17376 and 17378 that falls outside the BBAT 28 RB SU and amend State Lease Nos. 17376 and 17378 to reflect the 2019 lease language with respect to force majeure and shut-in payments.

Staff recommended that the Board recognize the suspending event condition after-the-fact from February 21, 2023 until the August 9, 2023 Board Meeting when the matter may be reconsidered as needed and to accept the oil shut-in payment for State Lease No. 21764 for the first shut-in period of May 22, 2023 through November 22, 2023.

Staff further recommended that the Board accept the Wapiti additional consideration and request that Wapiti amend State Lease Nos. 17376 and 17378 as offered to the most recent force majeure and shut-in payment language no later than the August 9, 2023 Meeting.

Upon motion of Ms. Michaud-Dugas, seconded by Mr. White and by unanimous vote of the Board, the Board approved the request by Wapiti Operating LLC for an after-the-fact recognition of a suspending event affecting State Lease Nos. 17376 and 17378 and acceptance of a late shut-in payment on State Lease No. 21764 for the first shut-in period of May 22, 2023 through November 22, 2023. Wapiti Operating LLC will also amend State Lease Nos. 17376 and 17378 as offered to the most recent force majeure and shut-in payment language no later than the August 9, 2023 Meeting. There were no comments from the public on this matter. **(Resolution No. 23-06-002)**

3. Mr. Charles Bradbury reported that Krewe Energy LLC (Krewe) and S2 Energy Operating LLC, appealed the January 11, 2023 Board resolution that required any lease remaining off production beyond the March 8, 2023 State Mineral and Energy Board Meeting shall amend that lease to provide for oil shut-in payments and begin making such payments at the March 8, 2023 State Mineral and Energy Board Meeting.

Mr. Bradbury further reported that Krewe reported that they were in bankruptcy and had scheduled a sale of their assets in May 2023.

Mr. Bradbury continued that this resolution affected State Lease Nos. 1972, 2383, 18010(P), 19908, and 20102 in Little Lake Field located in Jefferson and Lafourche Parishes.

Mr. Bradbury further reported that the Board extended the force majeure recognition to the June 14, 2023 Board Meeting to provide time for Krewe to complete its transaction and report back to the Staff.

Comments were heard from David Vanicor and Barry Salsbury representing Krewe.

Upon motion of Mr. Watkins, seconded by Ms. Michaud-Dugas and by unanimous vote of the Board, the Board granted Krewe Energy LLC and S2 Energy Operating LLC an extension of force majeure until the August 9, 2023 Board Meeting. **(Resolution No. 23-06-003)**

**b) NOMINATION AND TRACT REPORT**  
**June 14, 2023**  
**(Resolution No. 23-06-004)**

The Board heard the report of Mr. Greg Roberts on Wednesday, June 14, 2023, relative to nominations received in the Office of Mineral Resources for the June 14, 2023 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of **Mr. Hollenshead**, duly seconded by **Mr. White**, 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. 23-06-004)**

**c) AUDIT REPORT**  
**June 14, 2023**  
**(Resolution Nos. 23-06-005 through 23-06-007)**

The first matter on the audit report was a penalty waiver request for Texas Petroleum Investment Company.

Upon recommendation of the staff and upon the motion of Mr. Young, seconded by Ms. Michaud-Dugas, the Board voted unanimously to waive one hundred percent (100%) of the penalty waiver request of \$123,968.11, with no balance due to the state. **(Resolution No. 23-06-005)**

The second matter on the audit report was a penalty waiver request for Helis Oil & Gas Company, LLC.

Upon recommendation of the staff and upon the motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the Board voted unanimously to waive fifty percent (50%) of the penalty waiver request of \$65,966.63, which amounts to \$32,983.32 due to the state. **(Resolution No. 23-06-006)**

The third matter on the audit report was a request to place Lobo Operating, Inc., and any parties associated with the leases, on demand for outstanding penalties associated with a field audit.

Upon recommendation of Staff and upon motion of Mr. White, seconded by Mr. Smith, the Board granted authorization to the Attorney General's Office to place Lobo Operating, Inc., and any affiliated parties or parties associated with the leases, on demand, and further granted authority to the Attorney General's office to file suit for outstanding penalties should compliance with the demand request not be made within a reasonable time. **(Resolution No. 23-06-007)**

The fourth matter on the audit report was the election of the June 2023 gas royalty to be paid on an unprocessed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

**d) LEGAL & TITLE CONTROVERSY REPORT**  
**JUNE 14, 2023**  
**(Resolution Nos. 23-06-008)**

The State Mineral and Energy Board (Board) considered a request by Magna Operating, LLC to temporarily remove state owned land from commerce while the State Mineral and Energy Board considers an Operating Agreement on land within Section 31, T8S-R11W in Calcasieu Parish, Louisiana.

The Staff recommended that the Board grant the Staff authority to negotiate an Operating Agreement and to temporarily remove the subject land from commerce.

After unanimous vote of the Board and upon motion of Mr. Hollenshead, seconded by Ms. Michaud-Dugas, the State Mineral and Energy Board granted Staff the authority to temporarily remove state owned land from commerce while the State Mineral and Energy Board considers an Operating Agreement on land within Section 31, T8S-R11W in Calcasieu Parish, Louisiana. **(Resolution No. 23-06-008)**



**e) DOCKET REVIEW REPORT**  
**June 14, 2023**  
**(Resolution No(s). 23-06-009)**

The Board heard the report from Greg Roberts on Wednesday, June 14, 2023, relative to the following:

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

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

- Category B: State Lease Transfers  
Docket Item No. 1  
**(Resolution Nos. 23-06-009)**

**VI. EXECUTIVE SESSION  
(Resolution No(s). 23-06-010 thru 23-06-011)**

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

Upon motion of Mr. Watkins, seconded by Ms. Michaud-Dugas, the Board Members went into Executive Session at 10:26 a.m.

Upon motion of Mr. White, seconded by Mr. Watkins, the Board reconvened in open session at 10:57 a.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion of proposed terms for an Operating Agreement with Magna Operating, LLC for acreage in the SE Lunita Field in Calcasieu Parish, Louisiana

Upon motion of Mr. Young, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff to proceed with negotiations based upon the terms discussed in Executive Session. There were no comments from the public on this matter. **(Resolution No. 23-06-010)**

- b. An update and discussion of ongoing negotiations of Operating Agreements for carbon capture and sequestration and wind energy projects on State owned lands and water-bottoms and for property owned by the Louisiana Department of Wildlife and Fisheries

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

- c. A discussion of a proposal by Cajun Wind LLC to enter into an operating agreement with the State of Louisiana for wind energy development projects in Cameron and St. Mary Parishes. Staff is requesting authority to negotiate terms within this potential agreement.

Upon motion of Ms. Michaud-Dugas, seconded by Mr. Hollenshead, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff to proceed with negotiations based upon the terms discussed in Executive Session. There were no comments from the public on this matter. **(Resolution No. 23-06-011)**

- d. Technical Briefing on Bids

## VII. AWARDING OF LEASES

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

Mr. Talbot reported there were two (2) tracts up for bid, and three (3) bids were received. Two (2) of the bids were received on Tract No. 45652 and one (1) bid was received on Tract No. 45653. Staff recommended that the bid on Tract No. 45652 by Theophilus Oil, Gas & Land Services, LLC and that the single bid on Tract No. 45653 be accepted.

Upon motion of Mr. Young, and seconded by Mr. Watkins, the Board voted unanimously to accept the following bid(s) and award a lease(s) on the following tract(s):

**Tract 45652 (1)**  
(Entire: 105.45 acres)

Bidder	:	THEOPHILUS OIL, GAS & LAND SERVICES, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$395,437.50
Annual Rental	:	\$197,718.75
Royalties	:	25.2% on oil and gas
	:	25.2% on other minerals
Additional Consideration	:	None

**Tract 45653**  
(Entire: 30.06 acres)

Bidder	:	THEOPHILUS OIL, GAS & LAND SERVICES, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$97,695.00
Annual Rental	:	\$48,847.50
Royalties	:	25.2% on oil and gas
	:	25.2% on other minerals
Additional Consideration	:	None

The lease(s) awarded were conditioned on the tract description(s) being accurate, overlapped prior leases being subtracted from acreage bid on, acreage amount(s) being verified and agreed between bidder and state and portion bids verified as being located within advertised boundary of tract.

This concluded the awarding of the leases.

**VII. NEW BUSINESS**

There was no new business.

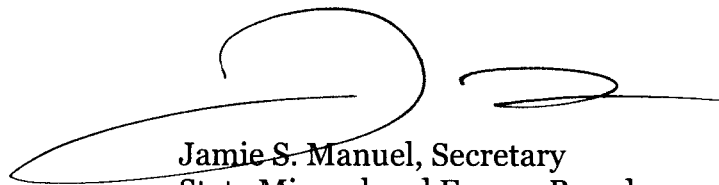
**IX. ANNOUNCEMENTS**

Mr. Manuel stated that the leases awarded totaled \$493,132.50 for the June 14, 2023 Lease Sale bringing the fiscal year total to \$8,426,622.25.

**X. ADJOURNMENT**

The Chairman then stated that there being no further business to come before the Board, upon motion of Mr. Young, seconded by Mr. Smith, the meeting was adjourned at 11:00 a.m.

Respectfully Submitted,

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line and a smaller flourish.

Jamie S. Manuel, Secretary  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### RESOLUTION #23-06-001

#### (LEASE REVIEW REPORT)

**WHEREAS**, on motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the following resolution was offered and adopted:

**WHEREAS**, Mr. Charles Bradbury of the Office of Mineral Resources reported that Biglane Operating Company (Biglane) requested force majeure recognition concerning State Lease No. 4778 in Concordia Parish due to rising floodwaters from the Mississippi River and that the request was timely; and

**WHEREAS**, Mr. Bradbury reported that Staff had recognized the force majeure condition and granted Biglane until the September 13, 2023 Board Meeting to restore production; and

**WHEREAS**, the Staff recommended that the Board recommended that the Board confirm recognition of this force majeure event.

**NOW THEREFORE BE IT RESOLVED**, that the State Mineral and Energy Board recognized the force majeure condition and granted Biglane Operating Company until the September 13, 2023 Board Meeting to restore production.

### CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of June, 2023, of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.

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

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### RESOLUTION #23-06-002

#### (LEASE REVIEW REPORT)

**WHEREAS**, on motion of Ms. Michaud-Dugas, seconded by Mr. White, the following resolution was offered and adopted:

**WHEREAS**, Mr. Charles Bradbury of the Office of Mineral Resources reported that Wapiti Operating LLC (Wapiti) requested an after-the fact recognition of a suspending event affecting State Lease Nos. 17376 and 17378 and acceptance of a late shut-in payment on State Lease No. 21764, all leases located within the BBAT 28 RB SU unit; and

**WHEREAS**, Mr. Bradbury continued that the unit wells were shut-in on February 21, 2023 due to compressor failure and that due to delays in obtaining the proper equipment, Wapiti has been unable to restore production to the three (3) leases; and

**WHEREAS**, Mr. Bradbury stated that by oversight, Wapiti did not timely notify the Staff of their issues and Wapiti estimates that production may be restored as early as June 30, 2023 depending on whether the equipment arrives; and

**WHEREAS**, Mr. Bradbury further stated that in consideration of this request, Wapiti has offered to release approximately 445.54 acres of State Lease Nos. 17376 and 17378 that falls outside the BBAT 28 RB SU and amend State Lease Nos. 17376 and 17378 to reflect the 2019 lease language with respect to force majeure and shut-in payments; and

**WHEREAS**, the Staff recommended that the Board recognize the suspending event condition after-the-fact from February 21, 2023 until the August 9, 2023 Board Meeting when the matter may be reconsidered as needed and to accept the oil shut-in payment for State Lease No. 21764 for the first shut-in period of May 22, 2023 through November 22, 2023; and

**WHEREAS**, the Staff further recommended that the Board accept the Wapiti additional consideration and request that Wapiti amend State Lease Nos. 17376 and 17378 as offered to the most recent force majeure and shut-in payment language no later than the August 9, 2023 Meeting.

**NOW THEREFORE BE IT RESOLVED**, that the State Mineral and Energy Board approved the request by Wapiti Operating LLC for an after-the-fact recognition of a suspending event affecting State Lease Nos. 17376 and 17378 and acceptance of a late shut-in payment on State Lease No. 21764 for the first shut-in period of May 22, 2023 through November 22, 2023. Wapiti Operating LLC will also amend State Lease Nos. 17376 and 17378 as offered to the most recent force majeure and shut-in payment language no later than the August 9, 2023 Meeting.

#### CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of June, 2023, 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.

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

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### RESOLUTION #23-06-003

#### (LEASE REVIEW REPORT)

**WHEREAS**, on motion of Mr. Watkins, seconded by Ms. Michaud-Dugas, the following resolution was offered and adopted:

**WHEREAS**, Mr. Charles Bradbury of the Office of Mineral Resources (OMR) reported that Krewe Energy LLC (Krewe) and S2 Energy Operating LLC (S2 Energy) appealed the January 11, 2023 Board resolution that required any lease remaining off production beyond the March 8, 2023 State Mineral and Energy Board Meeting shall amend that lease to provide for oil shut-in payments and begin making such payments at the March 8, 2023 State Mineral and Energy Board Meeting; and

**WHEREAS**, the Staff reported that Krewe was in bankruptcy and had scheduled a sale of their assets in May 2023; and

**WHEREAS**, the Staff further reported that this resolution affected State Lease Nos. 1972, 2383, 18010(P), 19908, and 20102 in Little Lake Field located in Jefferson and Lafourche Parishes; and

**WHEREAS**, the Staff reported the Board extended the force majeure recognition at the March 8, 2023 Board Meeting to the June 14, 2023 Board Meeting to provide time for Krewe to complete its transaction and report back to the Staff.

**NOW THEREFORE BE IT RESOLVED**, that the State Mineral and Energy Board hereby grants an extension of force majeure to Krewe Energy LLC and S2 Energy Operating LLC on State Lease Nos. 1972, 2383, 18010(p), 19908, and 20102 in Little Lake Field, Jefferson and Lafourche Parishes, Louisiana, until the August 9, 2023 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 14th day of June, 2023, of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.



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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Authority to Advertise  
Tracts for the August 9,  
2023 Lease Sale

## RESOLUTION #23-06-004

(NOMINATION AND TRACT REPORT)

**WHEREAS**, Mr. Greg Roberts reported that six (6) tracts were nominated for the August 9, 2023 Mineral Lease Sale, and requested that same be advertised pending staff review;

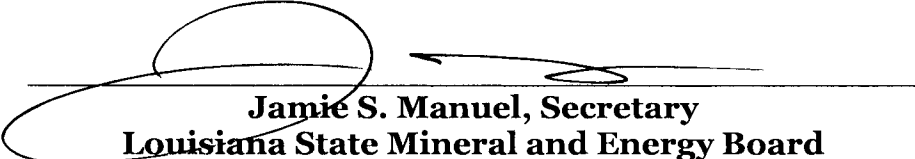
**ON MOTION** of **Mr. Hollenshead**, seconded by **Mr. White**, the following recommendation was offered and unanimously adopted by the Board after discussion and careful consideration:

That the State Mineral and Energy Board grant approval to advertise all such tract(s) for the August 9, 2023 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 14th day of June, 2023, 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.

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



# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Penalty Waiver  
Texas Petroleum Investment Company

## Resolution #23-06-005 (AUDIT REPORT)

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

**WHEREAS**, The State Mineral and Energy Board caused an audit to be performed of state royalty payments made by Texas Petroleum Investment Company in the Atchafalaya Bay; Bayou Postillion; Belle Isle; Breton Sound Block 20; Delta Duck Club; Delta Farms; Eugene Island Block 18; Garden Island Bay; Golden Meadow; Hackberry, West; Lake Pelto; Main Pass Block 31; Main Pass Block 35; Main Pass Block 47; Main Pass Block 69; Rigolets; Saturday Island; South Pass Block 24; West Cameron Block 1; White Lake, West fields; State Lease Nos. 00042, 00335, 00340, 00378, 00540, 00978, 01008, 01009, 01277, 01278, 01353, 01354, 01355, 01357, 01359, 01388, 01922, 01923, 01924, 01928, 01958, 01961, 01997, 01998, 01999, 02000, 02125, 02227, 02326, 02366, 02474, 02485, 02557, 02620, 02655, 03035, 03184, 03185, 03508, 03586, 03851, 03909, 06646, 06647, 11151, 12002, 12725, 12848, 13465, 14373, 14534, 16666, 16667, 16849, 16850, 16850, 16851, 16942, 16943, 16970, 19098, 19109, 19531, 19742, 19743, 19863, 20035, 20219, 20220, 20221, 20222, 20223, 20224, 20366, 20367, 20368, 20369, 20526, 20527, 20528, 20529, 20530, 20753, 0540A, 0A031, A0295, A0298, A0310, B9956, C0002, which audit revealed that Texas Petroleum Investment Company owed the state \$422,659.62 in underpayment of royalty and \$249,972.08 in interest and penalty for a total of \$672,631.70; and

**WHEREAS**, Texas Petroleum Investment Company has remitted payment of \$548,663.59 for the outstanding principal and interest and made letter of application for reduction of penalties assessed in the amount of \$123,968.11 that were the result of field audit exceptions; and

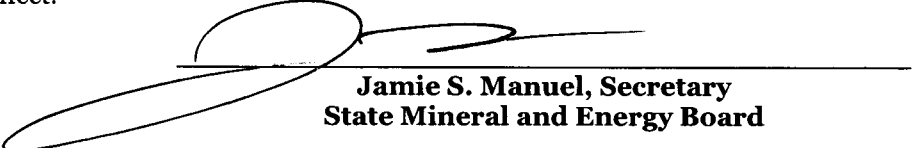
**WHEREAS**, the Staff of the Office of Mineral Resources, upon thorough review and consideration and in accordance with State Mineral and Energy Board established protocol, recommended that the foregoing request for a reduction of penalties be approved and that one-hundred percent (100%) of the penalty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

**ON MOTION** of Mr. Young, seconded by Ms. Michaud-Dugas, after discussion and careful consideration the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board;

**THEREFORE, BE IT RESOLVED** that the Board does waive one-hundred percent (100%), which amounts to \$123,968.11 of the total penalty assessed to Texas Petroleum Investment Company.

### 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 14<sup>th</sup> day of June, 2023, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.

  
Jamie S. Manuel, Secretary  
State Mineral and Energy Board

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #23-06-006  
(AUDIT REPORT)**

Penalty Waiver  
Helis Oil & Gas Company, LLC

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

**WHEREAS**, The State Mineral and Energy Board caused an audit to be performed of state royalty payments made by Helis Oil & Gas Company LLC in the Black Bay; Black Bay East; Black Bay North; Black Bay Southeast; Black Bay West; Lake Campo; Lake Fields; Main Pass Blk 24; Myette Point; Saturday Island; Ship Shoal Blk 43; Ship Shoal Blk 45; Ship Shoal Blk 47; Ship Shoal Blk 65; Ship Shoal Blk 66; West Cameron Blk 21 fields; State Lease Nos. 00195, 02410, 14157, 14158, 14310, 14311, 14571, 14572, 14792, 14793, 14796, 14851, 15067, 15822, 15823, 16338, 16558, 17534, 17774, 17775, 17888, 17889, 18103, 18284, 18287, 18292, 18356, 18634, 18652, which audit revealed that Helis Oil & Gas Company LLC owed the state \$209,508.85 in underpayment of royalty and \$134,375.90 in interest and penalty for a total of \$343,884.75; and

**WHEREAS**, Helis Oil & Gas Company LLC has remitted payment of \$277,918.12 for the outstanding principal and interest and made letter of application for reduction of penalties assessed in the amount of \$65,966.63 that were the result of field audit exceptions; and

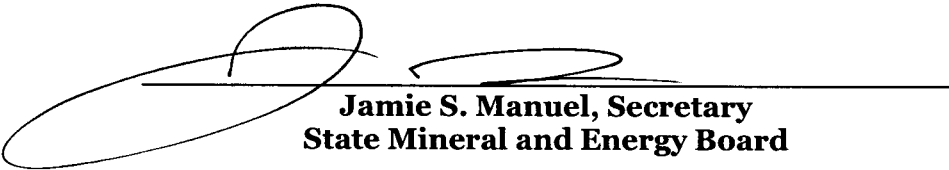
**WHEREAS**, the Staff of the Office of Mineral Resources, upon thorough review and consideration and in accordance with State Mineral and Energy Board established protocol, recommended that the foregoing request for a reduction of penalties be approved and that fifty percent (50%) of the penalty be waived;

**ON MOTION** of Ms. Michaud-Dugas, seconded by Mr. Watkins, after discussion and careful consideration the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board;

**THEREFORE, BE IT RESOLVED** that the Board does waive fifty percent (50%), which amounts to \$32,983.32 of the total penalty assessed to Helis Oil & Gas Company LLC.

## 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 14<sup>th</sup> day of June, 2023, 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.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**RESOLUTION # 23-06-007**

(AUDIT REPORT)

**WHEREAS**, the State Mineral and Energy Board caused an audit of Lobo Operating, Inc. to be performed of respecting the royalty payments under State Lease Nos. 00195, 01268, 16392, 16393, 16432, 16570, 16664 and B1120 in the Main Pass Block 25 and Main Pass Block 47 fields; and

**WHEREAS**, there are differences between Lobo Operating, Inc. and the Board regarding the amount of royalty due by Lobo Operating, Inc.; and

**WHEREAS**, the staff of the Office of Mineral Resources has been unable to resolve and settle the outstanding royalty due with Lobo Operating, Inc.,

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

**THEREFORE, BE IT RESOLVED**, that the Attorney General's office is hereby authorized to place formal demand upon Lobo Operating, Inc. and any affiliated parties or parties associated with the leases pertaining to the audit all royalty due, along with interest, penalty, and all other remedies prescribed by law.

**BE IT FURTHER RESOLVED** that the Attorney General's office is authorized to take all appropriate action, including the filing of suit on behalf of the Board against Lobo Operating, Inc. and any affiliated parties or parties associated with the leases pertaining to this audit.

## 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 Board in the City of Baton Rouge, Louisiana on the 14<sup>th</sup> day of June, 2023, 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 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 #23-06-008

(LEGAL & TITLE CONTROVERSY REPORT)

Request from Magna Operating, LLC to temporarily remove state owned land from commerce while SMEB considers Operating Agreement.

**WHEREAS**, the State Mineral and Energy Board received a request from Magna Operating, LLC to temporarily remove state owned land from commerce while the State Mineral and Energy Board considers an Operating Agreement on land within Section 31, T8S-R11W in Calcasieu Parish, Louisiana; and

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

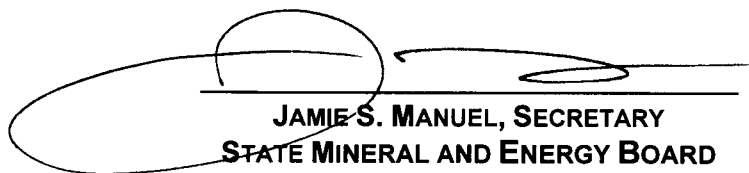
That the Board grant the Staff the authority to negotiate an Operating Agreement and to temporarily remove the subject land from commerce.

**ON MOTION** of Mr. Hollenshead, seconded by Ms. Michaud-Dugas, 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 hereby grants authority to the Staff to temporarily remove state owned land from commerce while the State Mineral and Energy Board considers an Operating Agreement on land within Section 31, T8S-R11W, in Calcasieu Parish, Louisiana.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of June, 2023 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 #23-06-009

#### (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the June 14, 2023 meeting be approved, said being an Assignment from Hugo Energy, LLC to the following in the proportions set out below:

Madeline Beard	5%
JD Oil, L.L.C.	10%
Big Brake Energy, L.L.C.	10%

in and to State Lease No. 20359, Concordia Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease covers the WX VUA; Pitts-Brane Storm #1, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

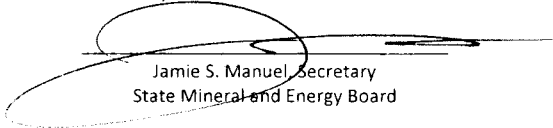
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

#### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of June, 2023, 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: OA with Magna Operating,  
LLC for acreage in the SE Lunita  
Field in Calcasieu Parish, LA

**RESOLUTION #23-06-010**

(EXECUTIVE SESSION)

**WHEREAS**, a discussion in Executive Session of proposed terms for an Operating Agreement with Magna Operating, LLC for acreage in the SE Lunita Field in Calcasieu Parish, Louisiana was held; and

**ON MOTION** of Mr. Young, seconded by Ms. Michaud-Dugas, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

**NOW THEREFORE, BE IT RESOLVED** that the State Mineral and Energy Board does hereby grant authority to the Staff to proceed with negotiations based upon the terms 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 14th day of June, 2023 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.

  
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**JAMIE S. MANUEL, SECRETARY**  
**State Mineral and Energy Board**

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion  
Re: Proposal by Cajun Wind LLC  
to enter into an OA with the State  
of LA for wind energy development  
projects in Cameron and St. Mary  
Parishes

**RESOLUTION #23-06-011**

(EXECUTIVE SESSION)

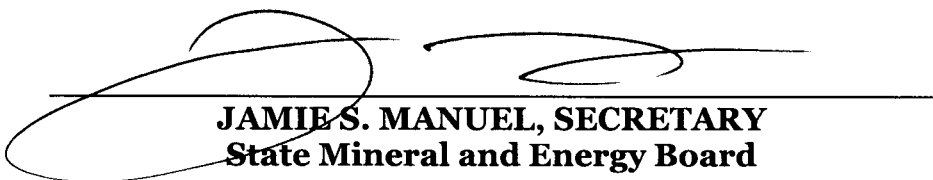
**WHEREAS**, a discussion in Executive Session of a proposal by Cajun Wind LLC to enter into an operating agreement with the State of Louisiana for wind energy development projects in Cameron and St. Mary Parishes was held; and

**ON MOTION** of Ms. Michaud-Dugas, 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 the Staff to proceed with negotiations based upon the terms 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 14th day of June, 2023 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.



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**JAMIE S. MANUEL, SECRETARY**  
**State Mineral and Energy Board**