

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE AND BOARD MEETING

APRIL 11, 2018

JOHN BEL EDWARDS
GOVERNOR



THOMAS F. HARRIS
SECRETARY

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

Opening of Bids

April 11, 2018

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

Recorded as present were:

Jamie Manuel – Assistant Secretary of the Office of Mineral Resources

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

Rachel Newman – Director, Mineral Income Division

Boyd Handley – Administrator, Geology, Engineering & Lands Division

Emile Fontenot – Director, Petroleum Lands

Mr. Manuel presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of Tract Nos. 44856 through 44862 which were published for lease by the Board at today's sale.

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

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 Manuel stated that there were no tracts to be withdrawn from today's Lease Sale.

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

INLAND TRACTS

Tract 44857
(Portion Bid: 70.000 acres)

Bidder	:	ENERGY XXI ONSHORE, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$17,500.00
Annual Rental	:	\$8,750.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration:	:	None

Tract 44858

Bidder	:	CRESCENT RESOURCES, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$13,328.00
Annual Rental	:	\$6,664.00
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration:	:	None

Tract 44859
(Portion Bid: 16.500 acres)

Bidder	:	K-EXPLORATION CO.
Primary Term	:	Three (3) years
Cash Payment	:	\$3,927.00
Annual Rental	:	\$1,963.50
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration:	:	None

STATE AGENCY TRACTS

Tract 44861

Bidder	:	CLARK ENERGY COMPANY, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$192,073.45
Annual Rental	:	\$96,036.73
Royalties	:	25.00000% on oil and gas
	:	25.00000% on other minerals
Additional Consideration	:	None

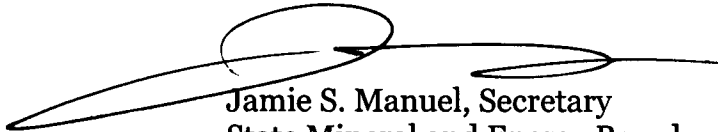
Tract 44862

Bidder	:	ROVIG MINERALS, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$2,722.00
Annual Rental	:	\$1,361.00
Royalties	:	20.00000% on oil and gas
	:	20.00000% 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
April 11, 2018

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, April 11, 2018**, beginning at 9:32 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

I. CALL TO ORDER

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

II. ROLL CALL

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

Carol R. LeBlanc, Vice-Chair

J. Todd Hollenshead

Thomas L. Arnold, Jr.

Theodore M. "Ted" Haik, Jr.

Rochelle A. Michaud-Dugas

Johnny B. Bradberry (left after the Lease Review Report during the 11:00 a.m. break)

Thomas F. Harris, DNR Secretary (left after the Docket Review Report at 12:00 p.m. before Executive Session discussions were held)

The following members of the Board were recorded as absent:

Robert D. Watkins (arrived at 9:37 a.m. during the Lease Review Report)

W. Paul Segura, Jr., Chairman (arrived at 9:50 a.m. during the Lease Review Report)

Emile B. Cordaro (arrived at 10:00 a.m. during the Lease Review Report)

Gregory C. Carter

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

Also recorded as present were:

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

III. PLEDGE OF ALLEGIANCE

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

IV. APPROVAL OF THE MARCH 14, 2018 MINUTES

The Vice-Chair stated that the first order of business was the approval of the March 14, 2018 Minutes. A motion was made by Mr. Arnold to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Mr. Hollenshead and unanimously adopted by the Board. (No public comment was made at this time.)

The Vice-Chair then stated that the next order of business was the presentation of the following Staff Reports:

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

V. STAFF REPORTS

- a) Lease Review Report
(Resolution Nos. 18-04-001 thru 18-04-004)

*** The Vice-Chair turned over the meeting to the Chairman when he arrived at 9:50 a.m.**

- b) Nomination and Tract Report
(Resolution Nos. 18-04-005 thru 18-04-006)
- c) Audit Report
- d) Legal and Title Controversy Report
(Resolution Nos. 18-04-007 thru 18-04-009)

- e) Docket Review Report
(Resolution Nos. 18-04-010 thru 18-04-017)

a) LEASE REVIEW REPORT
April 11, 2018

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there were 1,196 active State Leases containing approximately 530,000 acres. Since the last Lease Review Board meeting, the Geological and Engineering Division reviewed 95 leases covering approximately 53,000 acres for lease maintenance and development issues.

II. BOARD REVIEW

1. A staff report was made on State Lease 173, Caddo Pine Island Field, Caddo Parish. Gemini Explorations, Inc. and APV Caddo Pine Island, LLC are the lessees. Upon motion of Mr. Bradberry, seconded by Mr. Haik, the State Mineral and Energy Board allowed Gemini Explorations, Inc. and APV Caddo Pine Island, LLC extra time to get the results of their reservoir study and report to the Board if the reservoir study results allow for a well to be drilled. The Board would also like to continue their discussion to renegotiate a new rate affecting State Lease 173. Mr. Emile Cordaro and Ms. Rochelle Michaud-Dugas recused themselves from the motion.

III. FORCE MAJEURE

1. Staff received report of a force majeure condition from Pennington Oil & Gas INT, LLC affecting State Lease 18804 in East Baton Rouge Parish. The lease was shut-in March 18, 2018 due to the rising Mississippi water. The staff instructed Pennington to make a shut-in payment if they are unable to restore production in 90 days. Staff reported that the well had been restored to production and no Board action was required.
2. Staff recognized the force majeure condition reported by Petro-Hunt LLC affecting State Lease 4219 in Iberville Parish. Petro-Hunt LLC reported that high water conditions on Bayou Maringouin necessitated shutting in the well March 18, 2018 and temporarily removing surface equipment from the wellsite. Staff recognizes this event for 90 days or until the water levels subside making it possible to restore production to the well. Staff requests Board confirmation of the force majeure recognition and recommends reviewing this matter again at the July 11, 2018 Board meeting if necessary. Upon motion of Mr. Arnold, seconded by Mr. Bradberry, the Board confirmed force majeure recognition, affecting State

Lease 4219, Petro-Hunt LLC, and that this matter will be reviewed in ninety (90) days at the July 11, 2018 Board meeting if necessary.

3. Staff recommends extending recognition of the force majeure condition affecting State Lease 19930 operated by Day Dreams Resources LLC for a period of 90 days until July 11, 2018. Upon motion of Mr. Arnold, seconded by Mr. Bradberry, the Board confirmed the extension of the force majeure condition, until July 11, 2018, or until the Mississippi River floodwaters subside, if unable to restore production in ninety-(90) days, affecting State Lease 19930.
4. Staff recommends extending recognition of the force majeure condition affecting State Lease 19851 operated by Rabb Contracting Company LLC for a period of 90 days until July 11, 2018. Upon motion of Mr. Arnold, seconded by Mr. Bradberry, the Board confirmed extension of the force majeure condition, until July 11, 2018, or until the Mississippi River floodwaters subside, if unable to restore production in ninety-(90) days, affecting State Lease 19851.

Updated 03/29/2018

Company Name	Lease Numbers (Review Date)
Leases Off Production Due to Non-Storm Related Force Majeure Events	
Day Dreams Resources, LLC	19930 (4/11/2018)
Rabb Contracting Company LLC	19851 (4/11/2018)

b) NOMINATION AND TRACT REPORT
April 11, 2018

The Board heard the report of Mr. Emile Fontenot on Wednesday April 11, 2018 relative to nominations received in the Office of Mineral Resources for the June 13, 2018 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of Mr. Arnold, duly seconded by Mr. Hollenshead, the Board granted authority to the staff to advertise all such tracts as have been reviewed by the staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report. (Resolution 18-04-006)

A request from Texas Petroleum Investment Company (TPIC) dated April 9, 2018 requesting that Tract 44859 be withdrawn, suspended or delayed from the April 11, 2018 lease sale. On the recommendation from Staff and on the motion of Mr. Arnold, duly seconded by Mr. Harris, the board voted unanimously not to withdraw or suspend the tract from the April 11, 2018 lease sale. (Resolution 18-04-005)

c) AUDIT REPORT
April 11, 2018

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

No action required.

d) LEGAL & TITLE REPORT
April 11, 2018

The first matter considered by the State Mineral and Energy Board (Board) was a request by Staff to authorize the Attorney General's Office to place 1776 Energy Operators, LLC (1776) on demand for outstanding liquidated damage assessments in the amount of \$27,200.00 (Invoice No. 1158879) and \$8,900.00 (Invoice No. 1158885) regarding the late release of Operating Agreements 287 and 288 in Caldwell Parish, Louisiana.

The Board previously denied 1776's request for waiver of these liquidated damage assessments at the February 14, 2018 Board Meeting. On July 31, 2017, 1776 was forwarded invoices requesting payment be submitted by August 15, 2017. Subsequent requests for payment were made on December 14, 2017, February 15, 2018 and March 15, 2018. As of the date of the April 11, 2018 Board Meeting, the aforementioned invoices remained outstanding.

Staff recommended that the Board authorize the Attorney General's Office to place 1776 on demand for non-payment of the above listed outstanding invoices and grant authority to the Attorney General's Office to file suit for non-payment, should 1776 not comply with the demand request within a reasonable time frame.

Upon motion of Mr. Arnold, seconded by Mr. Harris, and by unanimous vote of the Board, the State Mineral and Energy Board accepted Staff's recommendation and approved the request to authorize the Attorney General's Office to place 1776 on demand for non-payment of the above listed outstanding invoices and to grant authority to the Attorney General's Office to file suit for non-payment of said outstanding liquidated damage assessments, should 1776 not comply with the demand request within a reasonable time frame in accordance with the above request. There were no comments from the public. (Resolution No. 18-04-007)

The second matter considered by the Board was a request to the Board to adopt the Expired Lease Procedure attached hereto.

Upon motion of Mr. Arnold, seconded by Mr. Hollenshead, and by unanimous vote of the Board, the State Mineral and Energy Board voted to accept Staff's recommendation to adopt the Expired Lease Procedure attached hereto. There were no comments from the public. (Resolution No. 18-04-008)

The third matter considered by the Board was a request by Mr. Theodore M. "Ted" Haik, Jr. for discussion regarding assignment responsibilities and the issue of novation.

This matter was for discussion only and no action was taken by the Board. There were no comments from the public.

The fourth matter considered by the Board was a request by Mr. Theodore M. "Ted" Haik, Jr. regarding Article III General Provisions A.1 of the Operating Agreement Form as it relates to bankruptcy and the State's In-Kind portion.

No action was taken by the Board on this matter. There were no comments from the public.

The fifth matter considered by the Board was an update by Staff to the Board on the proposed new Lease Form.

This matter was informational only and no action was taken by the Board. There were no comments from the public.

The sixth matter considered by the Board was a request by Staff to the Board to terminate the authority to escrow payment of royalties accruing under former State Lease No. 19398 previously granted by the Board to QEP Resources under Resolution dated April 11, 2012.

Staff stated that the royalty payments were from affected lands within former State Lease No. 19398 in units CV RA SUJ and HA RA SUAA, Thorn Lake Field, Red River Parish, Louisiana and were escrowed pending resolution of the matter entitled: Chesapeake Operating, Inc. et al vs. The State Mineral and Energy Board of Louisiana et al, Docket No. 35514. OMR records indicate, and QEP had confirmed, that this account should be de-authorized and Staff recommended terminating this escrow authority.

Upon motion of Mr. Watkins, seconded by Mr. Arnold, and by unanimous vote of the Board, the State Mineral and Energy Board voted to terminate the authority to escrow payment of royalties accruing under former State Lease No. 19398. There were no comments from the public. (Resolution No. 18-04-009)

e) DOCKET REVIEW REPORT
April 11, 2018

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

Category A: State Agency Leases
Docket Item No. 1

Category B: State Lease Transfers
Docket Item Nos. 1 through 6.

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 Mr. Arnold, duly seconded by Ms. Michaud-Dugas, the Board voted unanimously to accept the following recommendations:

Category A: State Agency Leases
Approve Docket Item A (Resolution No. 18-04-010)

Category B: State Lease Transfers
Approve Docket Item Nos. 1 through 6. (Resolution Nos. 18-04-011 through 18-04-016)

Category D: Advertised Proposals
Approve Docket Item Nos. 18-10 (Resolution No. 18-04-017)

VI. EXECUTIVE SESSION
(Resolution Nos. 18-04-018 thru 18-04-020)

The Chairman stated that the next order of business was discussions in Executive Session to consider matters before the Board which were confidential in nature. Upon motion of Mr. Arnold, seconded by Ms. LeBlanc, the Board Members went into Executive Session at 12:03 p.m.

Upon motion of Ms. LeBlanc, seconded by Mr. Arnold, the Board reconvened in open session at 1:08 p.m. for consideration of the following matters discussed in Executive Session:

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

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

- b. A discussion of an offer by Boardwalk Pipeline Partners, LP, settlement and proposed new operating agreement, to cover former State Land Office Lease No. 470 for the Bistineau Natural Gas Storage facility and obtaining further negotiating authority for same.

Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, the Board voted unanimously to grant authority to OMR Staff to reject the offer received and to negotiate as per the terms discussed in Executive Session. No comments were made by the public. (Resolution No. 18-04-018)

- c. A discussion of proposed terms for an Operating Agreement with Castex Energy Inc affecting former State Lease Nos. 21628 & 21629 and obtaining further negotiating authority for same.

Upon motion of Mr. Hollenshead, seconded by Ms. LeBlanc, the Board voted unanimously to grant authority to OMR Staff to negotiate with Castex Energy Inc for an Operating Agreement pursuant to the terms discussed in Executive Session. No comments were made by the public. (Resolution No. 18-04-019)

- d. A discussion of royalty payments made to certain expired state leases, a discussion of the particular legal and factual scenarios involved with each matter, and discussion and decision whether to finally resolve any issues with these payments by attributing same to newly created B-leases. The particular matters to be addressed are as follows:

Former State Lease No.	Unleased Tract No.	Former State Lease No.	Unleased Tract No.
16605	B1091	14214	B1118
17722	B1092	16430	B1119
11035 & 13127	B1093	18579	B1120
3154 & 15620	B1111	18674	B1121
1071	B1116	18957	B1122
2549	B1117		

Upon motion of Ms. LeBlanc, seconded by Mr. Hollenshead, the Board voted unanimously to grant authority to OMR Staff to close all of the above matters with the exclusion of former State Lease No. 18764 Unleased Tract No. B1121 wherein the Board granted authority to Staff to continue to pursue this matter as per the terms discussed in Executive Session. No comments were made by the public. (Resolution No. 18-04-020)

e. Technical Briefing on Bids

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

VII. AWARDING OF LEASES

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

Mr. Talbot stated that Staff recommends that the bids received on Tract Nos. 44857, 44858, 44859, 44861, and 44862 be granted.

Upon motion by Mr. Arnold, seconded by Ms. Michaud-Dugas, the Board unanimously voted to accept Staff's recommendations and award leases on the following:

1. Award a lease on Tract No. 44857 to Energy XXI Onshore, LLC
2. Award a lease on Tract No. 44858 to Crescent Resources, L.L.C.
3. Award a lease on Tract No. 44859 to K-Exploration Co.
4. Award a lease on Tract No. 44861 to Clark Energy Company, Inc.
5. Award a lease on Tract No. 44862 to Rovig Minerals, Inc.

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

This concluded the awarding of the leases.

VIII. NEW BUSINESS

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

No new business was discussed.

IX. ANNOUNCEMENTS

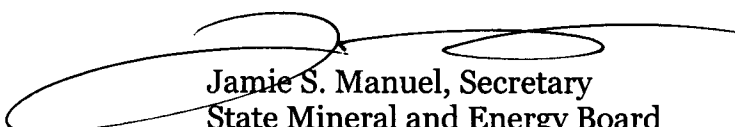
Mr. Manuel stated that there were five (5) leases awarded totaling \$229,550.45 for the April 11, 2018 Lease Sale bringing the fiscal year total to \$3,343,683.57.

Mr. Pat Theophilus of Theophilus Oil, Gas & Land Services, LLC asked that Staff clarify if the \$30.00 per acre fee applies to both state leases and state agency leases and asked that Staff please send out a notification to industry of any changes to the fees required.

X. ADJOURNMENT

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Arnold, seconded by Mr. Watkins, the meeting was adjourned at 1:16 p.m.

Respectfully Submitted,



Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-04-001 (LEASE REVIEW)

Upon motion of Mr. Bradberry, seconded by Mr. Haik, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board (SMEB):

WHEREAS, the Board last reviewed State Lease 173, Caddo Pine Island Field, on March 8, 2017, whereby Gemini Explorations, Inc. (Gemini) and APV Caddo Pine Island, LLC (APV) discussed particulars of their well plugging and abandoning obligation over the lease; and,

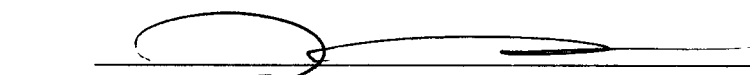
WHEREAS, the staff has redirected their efforts toward lease development over the lease among two primary parties including Gemini and APV and has determined that certain portions of State Lease 173 are not being developed; and,

WHEREAS, a presentation was made to the Board which showed both past and present activities over the lease by the Gemini and APV, and why some acreage on the lease that is not being developed should be released; and

NOW THEREFORE BE IT RESOLVED the State Mineral and Energy Board will allow Gemini extra time to get the results of their reservoir study and report to the Board if the reservoir study results allow for a well to be drilled. The Board would also like to continue their discussion to renegotiate a new rate affecting State Lease 173. Mr. Emile Cordaro and Ms. Rochelle Michaud-Dugas recused themselves from the motion.

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


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #18-04-002
(LEASE REVIEW)**

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

WHEREAS, the Mr. Bradbury of the Office of Mineral Resources made a report of a timely force majeure request by Petro-Hunt LLC ("Petro-Hunt") affecting State Lease 4219 in Bayou Henry Field, Iberville Parish, Louisiana; and,

WHEREAS, on March 13, 2018, Petro-Hunt reported that due to rising flood waters from Bayou Maringouin they were forced to shut-in the L MT SUM; Wilbert E No. 1 well that maintains State Lease 4219; and,

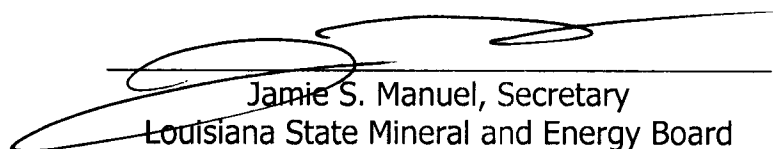
WHEREAS, in accordance with and under authority granted by the 2005 Mineral and Energy Board Policy, Mr. Bradbury recognized the force majeure event of Petro-Hunt for the period of March 13, 2018 through July 11, 2018 or until flood waters subside permitting Petro-Hunt access to the well location to restore production, whichever is earlier; and,

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

NOW THEREFORE BE IT RESOLVED, the State Mineral and Energy Board confirms the Office of Mineral Resources' recognition of the force majeure event affecting State Lease 4219 for the period of March 13, 2018 through July 11, 2018 or until floodwaters subside permitting Petro-Hunt LLC to access the well location to re-establish production, whichever is earlier. The Board shall further require that Petro-Hunt LLC submit monthly status reports due no later than the first (1st) of each month, until the work is complete or production in paying quantities is restored. Finally, the Board reserves its rights to rescind this force majeure recognition at any time.

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


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #18-04-003
(LEASE REVIEW)**

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

WHEREAS, the Mr. Bradbury of the Office of Mineral Resources made a report of a timely force majeure request by Day Dreams, LLC (herein "Day Dreams") affecting State Lease 19930 in Fairview Field, Concordia Parish, Louisiana; and,

WHEREAS, a request was made by Day Dreams to recognize that a force majeure condition exists for State Lease 19930 in Concordia Parish, Louisiana due to compliance Order E-I & E-17-116 issued by the Office of Conservation ordering Day Dreams, LLC and Rabb Contracting Company, LLC to shut-in facilities and wells beginning October 13, 2017; and,

WHEREAS, at the January 10, 2018 meeting, the Board confirmed the Staff's recognition of the force majeure condition until the meeting on April 11, 2018; and,

WHEREAS, on April 5, 2018 the Commissioner of Conservation issued an order to lift the compliance order stating that the wells associated with this matter can be restored to production; and,

WHEREAS, Day Dreams' operated wells are currently affected by flooding conditions of the Mississippi River and cannot restore production to their wells at this time.

NOW THEREFORE BE IT RESOLVED, that the State Mineral and Energy Board, in consideration of the facts stated herein, by these present does hereby extend recognition of the force majeure event affecting State Lease 19930 until the July 11, 2018 meeting, or until such time the water level of the Mississippi River subsides sufficiently to permit Day Dreams to return to the well and restore production. The Board requires that Day Dreams, LLC submit to the staff monthly updates due no later than the first (1st) of each month. The Board will reserve its rights to review and reconsider whether additional action is necessary at the July 11, 2018 meeting. Furthermore, the Board requires that Day Dreams continue in a due diligent manner, to mitigate or negate the effect of said events that caused the force majeure.

CERTIFICATE

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


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #18-04-004
(LEASE REVIEW)**

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

WHEREAS, Mr. Bradbury of the Office of Mineral Resources made a report of a timely force majeure request by Rabb Contracting Company, LLC ("Rabb Contracting") affecting State Lease 19581 in Roseland Field, Concordia Parish, Louisiana; and,

WHEREAS, a request was made by Rabb Contracting Company, LLC (herein "Rabb") to recognize that a force majeure condition exists for State Lease 19581 in Concordia Parish, Louisiana due to compliance Order E-I & E-17-116 issued by the Office of Conservation ordering Day Dreams, LLC and Rabb Contracting Company, LLC to shut-in facilities and wells beginning October 13, 2017;

WHEREAS, at the February 14, 2018 meeting, the Board confirmed the Staff's recognition of the force majeure condition until the meeting on April 11, 2018;


WHEREAS, on April 5, 2018 the Commissioner of Conservation issued an order to lift the compliance order stating that the wells associated with this matter can be restore to production;

WHEREAS, Rabb operated wells are currently affected by flooding conditions of the Mississippi River and are unable to restore production to their wells at this time.

NOW THEREFORE BE IT RESOLVED, the State Mineral and Energy Board, in consideration of the facts stated herein, by these present does hereby extend recognition of the force majeure event until the July 11, 2018 meeting, or until such time the water level of the Mississippi River subsides sufficiently to permit Rabb to return to the well and restore production. The Board requires that Rabb Contracting Company, LLC submit to the staff monthly updates due no later than the first (1st) of each month. The Board will reserve its rights to review and reconsider whether additional action is necessary at the July 11, 2018 meeting. Furthermore, the Board requires that Rabb continue in a due diligent manner, to mitigate or negate the effect of said event that caused the force majeure.

CERTIFICATE

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


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Tract Withdrawal

Resolution #18-04-005
(NOMINATION AND TRACT REPORT)

WHEREAS, the Staff presented a request to withdraw, suspend or delay Tract No. 44859 from the April 11, 2018 Lease Sale;

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

That the State Mineral and Energy Board grant final approval not to withdraw or suspend said tract for the April 11, 2018 Mineral Lease Sale;

NOW, BE IT THEREFORE RESOLVED, that the State Mineral and Energy Board does hereby approve and authorize not to withdrawal or suspend said Tract from the April 11, 2018 Lease Sale, and to otherwise approve the Nomination and Tract Committee 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 April 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-04-006
(NOMINATION AND TRACT REPORT)

Authority to advertise
Tracts for June 13
, 2018 Lease Sale

WHEREAS, Mr. Emile Fontenot reported that 35 tracts had been nominated for the June 13, 2018 Mineral Lease Sale, and requests that same are to be advertised pending staff review;

ON MOTION of *Mr. Arnold*, seconded by *Mr. Hollenshead*, 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 advertise all such tracts for the June 13, 2018 Mineral Lease Sale;

NOW, BE IT THEREFORE RESOLVED, that the State Mineral and Energy Board does hereby approve and authorize the advertising of all such tracts reviewed by the staff of the Office of Mineral Resources, as well as any tracts that have been 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 April 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #18-04-007

(LEGAL & TITLE CONTROVERSY REPORT)

1776 Energy Operators, LLC –
Late Release of Operating
Agreements 287 & 288,
Demand for Payment of
Invoices, Authority to File Suit

WHEREAS, a request by Staff to the State Mineral and Energy Board (Board) to authorize the Attorney General's Office to place 1776 Energy Operators, LLC (1776) on demand for outstanding liquidated damage assessments in the amount of \$27,200.00 (Invoice No. 1158879) and \$8,900.00 (Invoice No. 1158885) regarding the late release of Operating Agreements 287 and 288 in Caldwell Parish, Louisiana;

WHEREAS, the Board previously denied 1776's request for waiver of these liquidated damage assessments at the February 14, 2018 Board Meeting;

WHEREAS, Staff recommended that the Board authorize the Attorney General's Office to place 1776 on demand for non-payment of the above listed outstanding invoices and to grant authority to the Attorney General's Office to file suit for non-payment, should 1776 not comply with the demand request within a reasonable time frame;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby accept and approve the request by Staff to authorize the Attorney General's Office to place 1776 Energy Operators, LLC (1776) on demand for outstanding liquidated damage assessments in the amount of \$27,200.00 (Invoice No. 1158879) and \$8,900.00 (Invoice No. 1158885) regarding the late release of Operating Agreements 287 and 288 in Caldwell Parish, Louisiana;

BE IT FURTHER RESOLVED that the Board further grants authority to the Attorney General's Office to file suit for non-payment, should 1776 not comply with the demand request within a reasonable time frame.

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


JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #18-04-008

(LEGAL & TITLE CONTROVERSY REPORT)

SMEB Adoption of
Procedures for Allocating
Royalty for Partial or
Expired Leases

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

WHEREAS, there was a discussion by the Assistant Secretary of the Office of Mineral Resources on the attached Procedures for Allocating Royalty for Partial or Expired Leases; and

WHEREAS, a request by the Assistant Secretary and Staff of the Office of Mineral Resources for the State Mineral and Energy Board to adopt the attached procedures to account for that period of time when royalties continue to be allocated to a lease that is released (partially or full), or expired, and the acreage subsequently is not covered by a new lease or operating agreement (unleased mineral tract); and

WHEREAS, after discussion and careful consideration by the State Mineral and Energy Board on this matter, a decision has been reached.

NOW, THEREFORE BE IT RESOLVED, upon motion of Mr. Arnold, seconded by Mr. Hollenshead and by unanimous vote of the Board, the State Mineral and Energy Board adopts the Procedures for Allocating Royalty for Partial or Expired Leases attached hereto and made a part hereof.

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



W. PAUL SEGURA, CHAIRMAN
STATE MINERAL AND ENERGY BOARD

PROCEDURES FOR ALLOCATING ROYALTY FOR PARTIAL OR EXPIRED LEASES

The purpose of these procedures is to account for that period of time when royalties continue to be allocated to a lease that was released (partially or full), or expired, and the acreage subsequently is not covered by a new lease or operating agreement (unleased mineral tract).

Production is unaffected by an unleased mineral tract and operators do not have an obligation to take out a new mineral lease for the purposes of restoring or continuing production. The standard behavior is to make payments based upon the last known payor deck or division order. This results in expired leases receiving royalties at times long after the lease is released or after it has expired.

Money allocated to unleased mineral tracts; those tracts are identified as "B-leases". B-leases exist where there is a claimable state mineral tract covering lands or water-bottoms included within a producing unit. A B-lease can also be set up if there is no unit and all production may be allocated to that single mineral tract.

B-leases receive an 8/8ths (100%) share of money from oil and gas sales less expenses as to its proportionate interest in the unit. However, B-leases only share in the revenue from mineral production after a well pays out and remains in a paid out status. If a well never reaches pay out status, then the tract never receives payment.

To provide for the orderly management of production payments allocated to an expired and/or released state lease(s) or operating agreement, the staff determined that to allocate this money correctly was to set up a B-lease. Further, to close the issue, the staff believes that the State Mineral and Energy Board (Board) should consider whether the receipt of money as a final settlement for its 8/8ths share of the revenue in-lieu of engaging in a long costly audit and litigation process, and in many cases, for nominal amounts of money against payors who no longer exist.

The following sections are involved in reviewing partially or expired leases:

- Petroleum Lands Section — Docket and Lease Ownership
- Geology and Engineering Section (G&E) — Lease Maintenance
- Mineral Income Section — Property and Royalty Reporting

Procedures for Release and Termination of Leases:

The following procedures are being put in place as a front-end measure in order to help prevent and/or catch earlier, instances where revenue is paid and allocated to an expired lease or operating agreement.

1. Docket and Lease Ownership personnel process voluntary and involuntary releases, as well as Affidavits of Termination (AOT), and update basic lease information to reflect such changes. The monthly release list contains Full Releases, Partial Releases and acreage from AOT's. Docket and Lease Ownership shall email the Monthly Release List to the following sections:
 - G&E Lease Maintenance – Supervisor
 - Engineering Lease Maintenance – Manager

- Property – Supervisor
 - Royalty Reporting – Manager
2. G&E Lease Maintenance should:
 - a. Upon receiving the Monthly Release List, the District Geologist Supervisor will forward to the District Geologist (DG) to begin their review of both the full and partial releases. For full releases, the DG will check to see if production may have returned post lease expiration. For partial releases, the DG will check for any associated property and determine whether the property should be end dated or not by its corresponding LUW code.
 - b. The DG will capture their findings in a spreadsheet that includes both the lease number and the associated LUW codes that need to be end dated. The spreadsheet is then emailed to the Property Section.

 3. The Property Section should:
 - a. Upon receiving the Monthly Release List, run the Lease to LUW Report (*to be developed*) and end date all properties associated with the expired lease.
 - Annotate the reason and the lease expiration date in the comment section.
 - If the property contains other leases that remain active, notify G&E of the property to determine if a revised transmittal is necessary. If a revised transmittal is needed, once received, create a new property screen by following the procedures in the Property Section Standard Operating Procedure (SOP).
 - b. Upon receiving the notification by G&E of properties associated with partial releases, close the properties that G&E has identified.
 - c. Annotate any properties that have allocations past the expiration date.
 - d. Forward the annotated “Expired Lease Report” and the “Lease to LUW Report” to Royalty Reporting.

 4. Royalty Reporting should:
 - a. Run the “Expired Lease Allocation Report” and review any leases with allocations.
 - b. For properties with allocations after the lease expiration date, follow the procedures in the Expired Leases with Allocations section of these procedures.
 - c. Contact payors to let them know the properties have been closed.
 - d. Forward all reports to the Assistant Secretary or his designee for final review.
 - Monthly Release List
 - The G&E Spreadsheet
 - Lease to LUW Report

Procedures for Expired Leases with Allocations:

1. When the “Expired Lease Allocation Report” reveals an expired lease has allocations past the lease end date, a determination should be made from any LUW that the royalty is being paid under (either post production, state interest, or royalty reported under the wrong LUW Code).

2. Contact G&E's Lease Maintenance if there is post-production to determine if there is state interest or if there is reason to believe a new instrument is necessary.
3. If the allocated entries have been determined to be reported incorrectly, Royalty Reporting will create reversing and re-booking entries to ensure all production has been properly allocated by following the procedures for In-House Reversals in Royalty Reporting's SOP.
4. Upon determination by G&E Lease Maintenance and Royalty Reporting that the monies are allocated correctly to the LUW code(s) and there is no other lease instrument (state lease or operating agreement) that should be set up to receive the monies allocation, the Engineering Manager (EM) will proceed to follow the internal SOP for establishing unleased mineral tracts (also known as "B-leases").
 - a. Once the tract is designated/assigned a B-lease number, this will be passed onto the other sections to correct transmittal and set up properties.
 - b. Royalty Reporting will submit the proposed monies for reallocation to each B-lease.
 - c. The EM will review to determine if there is a significant monetary value in pursuing further unpaid monies due to a producing unleased mineral tract.
 - i. The EM's analysis and determination, whether there is or there is not significant monetary value or opportunity to recover additional monies, will be presented to other named participants in this process and the staff will develop its recommendation to be made to the Board.
 - ii. The EM's analysis and determination, whether there is or there is not significant monetary value or opportunity to recover additional monies, will be presented to the Board for its consideration and decision, along with the staff's recommendation thereon.
5. Based upon the recommendation and information provided by the Staff, the Board may either accept the money paid thus far as a final settlement on the matter or may instruct staff to pursue a particular matter further attempting to acquire additional funds.

Assistant Secretary:

Geology and Engineering Lease Maintenance Section Supervisor:

Property Section Supervisor:

Royalty Reporting Section Manager:

Engineering Manager:

Jamie S. Manuel

Jason Talbot

Angela Marshall

Taletha Shorter

Charles Bradbury

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #18-04-009

(LEGAL & TITLE CONTROVERSY REPORT)

QEP Resources –
Termination of Escrow
Payment Authority;
SL 19398

WHEREAS, QEP Resources (QEP) was granted authority to escrow royalty payments by the State Mineral and Energy Board (Board) by Resolution dated April 11, 2012 under former State Lease No. 19398 in units CV RA SUJ and HA RA SUAA, Thorn Lake Field, Red River Parish, Louisiana; and

WHEREAS, Staff stated that the royalty payments had been escrowed pending resolution of the matter entitled: Chesapeake Operating, Inc. et al vs. The State Mineral and Energy Board of Louisiana et al, Docket No. 35514; and

WHEREAS, OMR records indicate, and QEP had confirmed, that this account should be de-authorized and Staff recommends terminating this escrow authority.

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board hereby approves Staff's recommendation to terminate the authority granted to QEP Resources to escrow royalty payments on April 11, 2012 in the above referenced matter.

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 April, 2018 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 #18-004-010

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A. from the April 11, 2018 meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Lafourche Parish Government to LLOLA, L.L.C., covering lands located in Sections 24, 25, 26, 27, 67 and 68, Township 19 South, Range 21 East, Lafourche Parish, Louisiana, containing approximately 4 acres, more or less, with further particulars being stipulated in the instrument.

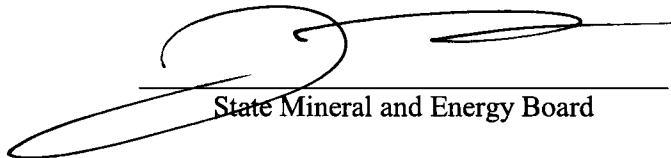
The State of Louisiana, through the State Mineral and Energy Board, asserts and claims title to the beds and bottoms of any navigable waterbed that may be located within the boundaries of the lands leased, and this approval shall not cover or extend to, or be construed as affecting the State's title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

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

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

CERTIFICATE

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



State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-004-011 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the April 11, 2018 meeting be approved, said instrument being an Assignment from Triple R Oilfield Service and Supply, LLC to Rabb Resources, Limited, of all of Assignor's right, title and interest in and to State Lease No. 21005, Concordia Parish, Louisiana, with further particulars being stipulated in the instrument.

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

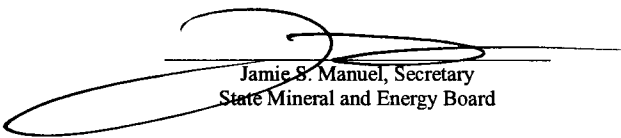
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

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


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-004-012 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the April 11, 2018 meeting be approved, said instrument being an Assignment from Nouveau Depart, L.L.C. to Energy Equities Incorporated, of all of Assignor's right, title and interest in and to State Lease Nos. 21692, 21693, 21694 and 21695, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Energy Equities Incorporated 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;

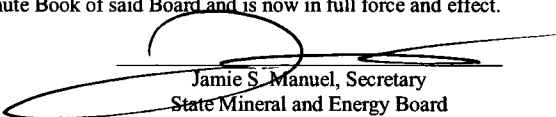
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-004-013 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the April 11, 2018 meeting be approved, said instrument being an Assignment from Cypress Energy Corporation to LLOLA, L.L.C., of all of Assignor's right, title and interest in and to State Lease No. 21775, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

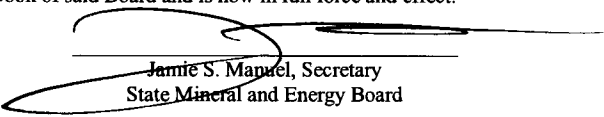
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

CERTIFICATE

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


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-004-014 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the April 11, 2018 meeting be approved retroactive to January 1, 2016., said instrument being an Assignment from Anadarko East Chalk Holdings LLC to Swift Energy Operating, LLC, of an undivided 50% of Assignor's right, title and interest in and to State Lease Nos. 21201 and 21202, Vernon Parish, Louisiana, with further particulars being stipulated in the instrument.

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

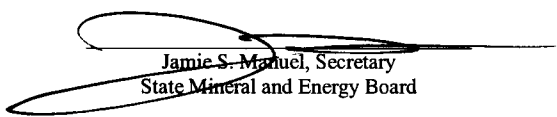
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;
- 2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;
- 3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;
- 4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;
- 5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and
- 6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

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

CERTIFICATE

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


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-04-015

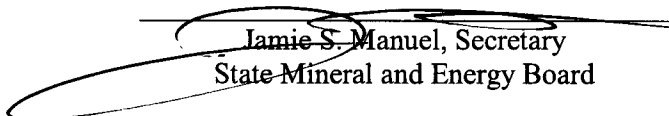
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the April 11, 2018 meeting be approved, said instrument being a Correction of Resolution #17-08-019, Docket No. 9 from the August 9, 2017 meeting, being an Assignment from Swift Energy Operating to Texegy LLC, whereas State Lease Nos. 21201 and 21202 were omitted from said resolution and are hereby being added to said resolution, affecting State Lease Nos. 21201 and 21202, Vernon Parish, Louisiana

CERTIFICATE

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


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-004-016

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the April 11, 2018 meeting be approved, said instrument being a Change of Name whereby Swift Energy Operating, LLC is changing its name to Silverbow Resources Operating, LLC, affecting State Lease No. 14004", Allen Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

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

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

CERTIFICATE

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


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-004-017

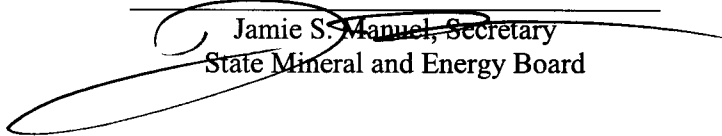
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 18-10 from the April 11, 2018 meeting be approved, said instrument being a Unitization Agreement by and between the State Mineral and Energy Board, for and on behalf of the State of Louisiana, The Louisiana Land and Exploration Company LLC, Trinity Exploration & Production, LLC and Krewe Energy, LLC, to create a 179.833 acre unit, more or less, with 131 acres, more or less, being attributable to State Lease No. 21724 and the remaining acreage being attributable to private ownership. All unitized production from the unit shall be allocated on the basis of 80% to the State and 20% to The Louisiana Land and Exploration Company LLC, affecting State Lease No. 21724, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument.

CERTIFICATE

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


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Boardwalk Pipeline
Partners, LP
Former State Land Office
Lease No. 470

RESOLUTION # 18-04-018

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding the offer by Boardwalk Pipeline Partners, LP, settlement and proposed new operating agreement, to cover former State Land Office Lease No. 470 for the Bistineau Natural Gas Storage facility and obtaining further negotiating authority for same;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to OMR Staff to reject the offer received and to negotiate as per 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 11th day of April, 2018 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Castex Energy Inc
Former State Lease Nos.
21628 & 21629

RESOLUTION # 18-04-019

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding proposed terms for an Operating Agreement with Castex Energy Inc affecting former State Lease Nos. 21628 & 21629 and obtaining further negotiating authority for same;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to OMR Staff to negotiate with Castex Energy Inc for an Operating Agreement pursuant to 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 11th day of April, 2018 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Royalty Payments on
Expired State Leases

RESOLUTION # 18-04-020

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding royalty payments made to certain expired state leases, a discussion of the particular legal and factual scenarios involved with each matter, and discussion and decision whether to finally resolve any issues with these payments by attributing same to newly created B-leases. The particular matters to be addressed are as follows:

Former State Lease No.	Unleased Tract No.	Former State Lease No.	Unleased Tract No.
16605	B1091	14214	B1118
17722	B1092	16430	B1119
11035 & 13127	B1093	18579	B1120
3154 & 15620	B1111	18674	B1121
1071	B1116	18957	B1122
2549	B1117		

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 OMR Staff to close all of the above matters with the exclusion of former State Lease No. 18764 Unleased Tract No. B1121 wherein the Board granted authority to Staff to continue to pursue this matter as per 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 11th day of April, 2018 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board