

# **MINUTES**

## **STATE MINERAL AND ENERGY BOARD**

### **LEASE SALE AND BOARD MEETING**

**September 12, 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**

**September 12, 2018**

A public meeting for the purpose of opening sealed bids was held on Wednesday, September 12, 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

**Rachel Newman** – Director, Mineral Income Division

**Byron Miller** – Administrator, Geology, Engineering & Land Division

**Jason Talbot** – Geology Supervisor, Geology, Engineering & Land 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. 44961 through 44982 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 Manuel stated that there were no tracts to be withdrawn from today's Lease Sale.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 44961**

Bidder	:	GEP HAYNESVILLE, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$220,983.00
Annual Rental	:	\$110,491.50
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

**Tract 44964**

Bidder	:	VENTURE OIL & GAS, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$6,300.00
Annual Rental	:	\$3,150.00
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

**Tract 44965**

Bidder	:	B. W. WATERS, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$8,500.00
Annual Rental	:	\$4,250.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

**Tract 44966  
(Portion Bid: 692.300 acres)**

Bidder	:	MERIDIAN RESOURCES (USA) INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$138,460.00
Annual Rental	:	\$69,230.00
Royalties	:	21.0% on oil and gas
	:	21.0% on other minerals
Additional Consideration	:	None

Tract 44969  
(Portion Bid: 129.000 acres)

Bidder	:	CYPRESS ENERGY CORPORATION
Primary Term	:	Three (3) years
Cash Payment	:	\$53,664.00
Annual Rental	:	\$26,832.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 44969  
(Portion Bid: 17.000 acres)

Bidder	:	HILCORP ENERGY I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$3,910.00
Annual Rental	:	\$1,955.00
Royalties	:	23.0% on oil and gas
	:	23.0% on other minerals
Additional Consideration	:	None

Tract 44970  
(Portion Bid: 127.000 acres)

Bidder	:	LLOLA, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$28,702.00
Annual Rental	:	\$14,351.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 44973  
(Portion Bid: 112.34 acres)

Bidder	:	THEOPHILUS OIL, GAS & LAND SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$25,276.50
Annual Rental	:	\$12,638.25
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 44976 (1)  
(Portion Bid: 51.65 acres)

Bidder	:	THEOPHILUS OIL, GAS & LAND SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$11,621.25
Annual Rental	:	\$5,810.63
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 44976 (2)  
(Portion Bid: 215.21 acres)

Bidder	:	THEOPHILUS OIL, GAS & LAND SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$48,422.25
Annual Rental	:	\$24,211.13
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

**STATE AGENCY TRACTS**

Tract 44977

Bidder	:	MCGINTY-DURHAM, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$12,000.00
Annual Rental	:	\$6,000.00
Royalties	:	18.75% on oil and gas
	:	18.75% on other minerals
Additional Consideration	:	None

Tract 44978

Bidder	:	MCGINTY-DURHAM, INC.
Primary Term	:	Three (3) years
Cash Payment	:	\$5,979.00
Annual Rental	:	\$2,989.50
Royalties	:	18.75% on oil and gas
	:	18.75% on other minerals
Additional Consideration	:	None

JOHN BEL EDWARDS  
GOVERNOR



THOMAS F. HARRIS  
SECRETARY

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

**REGULAR MEETING**  
**September 12, 2018**

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, September 12, 2018**, beginning at 9:35 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

**I. CALL TO ORDER**

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

**II. ROLL CALL**

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

**W. Paul Segura, Jr., Chairman**  
**Rochelle A. Michaud-Dugas**  
**Carol R. LeBlanc, Vice-Chair**  
**Emile B. Cordaro**  
**Robert D. Watkins**  
**J. Todd Hollenshead**  
**Theodore M. "Ted" Haik, Jr.**

The following members of the Board were recorded as absent:

**Johnny B. Bradberry**  
**Thomas F. Harris, DNR Secretary**  
**Thomas L. Arnold, Jr.**  
**Byron L. Lee**

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, Office of Mineral Resources  
**Ryan Seidemann** - Assistant Attorney General  
**Christopher Lento** - Assistant Attorney General  
**William Iturralde** – Attorney, Office of Mineral Resources  
**Rachel Newman** - Director, Mineral Income Division  
**Taletha Shorter** – Audit Manager, Mineral Income Division  
**Byron Miller** – Administrator, Geology, Engineering & Land Division  
**Jason Talbot** – Geology Supervisor, Geology, Engineering & Land Division  
**Charles Bradbury** – Engineering Supervisor, Geology, Engineering & Land Division  
**Emile Fontenot** – Petroleum Lands Director, Geology, Engineering & Land Division  
**Blake Canfield** – Executive Counsel, Department of Natural Resources  
**James Devitt** - Deputy General Counsel, Department of Natural Resources

### **III. PLEDGE OF ALLEGIANCE**

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

### **IV. APPROVAL OF THE AUGUST 8, 2018 MINUTES**

The Chairman stated that the first order of business was the approval of the August 8, 2018 Minutes. A motion was made by Mr. Haik to adopt the Minutes as submitted and to waive reading of same. His motion was seconded by Ms. LeBlanc and unanimously adopted by the Board. (No public comment was made at this time.)

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

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

### **V. STAFF REPORTS**

- a) Lease Review Report  
(Resolution No(s). 18-09-001)
- b) Nomination and Tract Report  
(Resolution No(s). 18-09-002)
- c) Audit Report  
(Resolution No(s). 18-09-003 thru 18-09-005)
- d) Legal and Title Controversy Report
- e) Docket Review Report  
(Resolution No(s). 18-09-006 thru 18-09-014)

**a) LEASE REVIEW REPORT  
September 12, 2018**

**I. GEOLOGICAL AND ENGINEERING STAFF REVIEW**

According to the SONRIS database, there were 1,184 active State Leases containing approximately 513,999 acres. Since the last Lease Review Board meeting, the Geological and Engineering Division reviewed 124 leases covering approximately 31,923 acres for lease maintenance and development issues.

**II. BOARD REVIEW**

1. A staff report on State Lease 724, Four Isle Dome Field, Terrebonne Parish. Hilcorp Energy I, L.P. is the operator. Upon motion of Mr. Hollenshead, seconded by Ms. Michaud-Dugas, the Board accepted Hilcorp Energy's report and requested Hilcorp to provide a status report on their continued efforts to develop the lease by March 13, 2019.



**b) NOMINATION AND TRACT REPORT  
September 12, 2018**

The Board heard the report of Mr. Emile Fontenot on Wednesday September 12, 2018 relative to nominations received in the Office of Mineral Resources for the November 14, 2018 Mineral Lease Sale and other matters. Based upon the staff's recommendation, on motion of Mr. Cordaro, duly seconded by Ms. Michaud-Dugas, the Board granted authority to the staff to advertise all such tracts as have been received by the staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report. **(Resolution No. 18-09-002)**

**c) AUDIT REPORT  
September 12, 2018**

The first matter considered by the Board was a request to place Energyquest II, LLC. on demand for failure to provide the necessary documents for resolution of various audit exceptions.

Upon recommendation of Staff and upon motion of Mr. Haik, seconded by Mr. Watkins, the Board granted authorization to the Attorney General's Office to place Energyquest II, LLC. 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 documents necessary to complete the field audit, should compliance with the demand request not be made within a reasonable time. **(Resolution No. 18-09-003)**

The second matter considered by the Board was a request to place Louisiana Delta Oil Company LLC on demand for royalty exceptions which were a result of an audit, as well as a failure to remit monthly royalty payments for ongoing gas payments.

Upon recommendation of Staff and upon motion of Mr. Watkins, seconded by Mr. Haik, the Board granted authorization to the Attorney General's Office to place Louisiana Delta Oil Company LLC 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 unpaid royalty exceptions and unpaid monthly royalty should compliance with the demand request not be made within a reasonable time. **(Resolution No. 18-09-004)**

The third matter considered by the Board was a request by the Staff to adopt a new Board policy regarding underpayment of royalties.

Upon recommendation of Staff and upon motion of Mr. Haik, seconded by Mr. Hollenshead, the Board granted authorization to adopt new procedures when a payor has submitted a monthly royalty report without accompanying payment or other situations that the staff determines there is a threat of nonpayment on ongoing or future production. **(Resolution No. 18-09-005)**

The fourth matter considered by the Board was the election of the September 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**  
**September 12, 2018**

There were no items on the Legal and Title Controversy Report for the State Mineral and Energy Board's consideration at the September 12, 2018 meeting.

**e) DOCKET REVIEW REPORT  
September 12, 2018**

The Board heard the report from Emile Fontenot on Wednesday, September 12, 2018, relative to the following:

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

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

- Category B: State Lease Transfers  
Approve Docket Item Nos. 1 through 9 (**Resolution Nos. 18-09-006 through 18-09-014**)

## **VI. EXECUTIVE SESSION**

The Chairman stated that the next order of business was discussions in Executive Session to consider matters before the Board which were confidential in nature. Upon motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the Board Members went into Executive Session at 10:00 a.m.

Upon motion of Mr. Watkins, seconded by Ms. LeBlanc, the Board reconvened in open session at 11:05 a.m. for consideration of the following matters discussed in Executive Session:

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

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

- b) A discussion with Lobo Operating, Inc. regarding the demand for unpaid royalty and penalties

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

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

## **VII. AWARDING OF LEASES**

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

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

1. Reject the bid on Tract No. 44961 from GEP Haynesville, LLC for insufficient consideration and re-advertise with minimums
2. Award a lease on Tract No. 44964 to Venture Oil & Gas, Inc.
3. Award a lease on Tract No. 44965 to B.W. Waters, Inc.
4. Award a lease on a portion of Tract No. 44966 to Meridian Resources (USA) Inc.

5. Award a lease on a portion of Tract No. 44969 to Cypress Energy Corporation
6. Award a lease on a portion of Tract No. 44969 to Hilcorp Energy I, L.P.
7. Award a lease on a portion of Tract No. 44970 to LLOLA, L.L.C.
8. Award a lease on a portion of Tract No. 44973 to Theophilus Oil, Gas & Land Services, LLC
9. Award a lease on a portion of Tract No. 44976 to Theophilus Oil, Gas & Land Services, LLC
10. Award a lease on a portion of Tract No. 44976 to Theophilus Oil, Gas & Land Services, LLC
11. Award a lease on Tract No. 44977 to McGinity-Durham, Inc.
12. Award a lease on Tract No. 44978 to McGinity-Durham, Inc.
13. Award a lease on a portion of Tract No. 44980 to Fieldwood Onshore, LLC

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

This concluded the awarding of the leases.

#### **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.

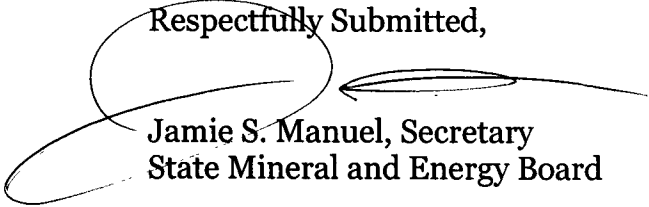
#### **IX. ANNOUNCEMENTS**

Mr. Manuel stated that there were twelve (12) leases awarded totaling \$431,035.00 for the September 12, 2018 Lease Sale bringing the fiscal year total to \$4,946,615.07.

**X. ADJOURNMENT**

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Haik, seconded by Mr. Hollenshead, the meeting was adjourned at 11:17 a.m.

Respectfully Submitted,



Jamie S. Manuel, Secretary  
State Mineral and Energy Board

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## **Resolution #18-09-001 (LEASE REVIEW)**

On motion of Mr. Hollenshead, seconded by Ms. Michaud-Dugas, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board (SMEB):

**WHEREAS**, the Board last reviewed State Lease 724, Four Isle Dome Field, on February 14, 2018. The Board accepted Hilcorp Energy's (Hilcorp) report and their offer to release a portion of the lease; and required Hilcorp to provide a status of their shallow oil opportunities by August 8, 2018; and,

**WHEREAS**, by letter dated August 8, 2018, Hilcorp reported that Burlington Resources Oil & Gas Company and Hilcorp had jointly executed and recorded a partial release over the lease;

**WHEREAS**, Hilcorp reported on certain lease activities had taken place over State Lease 724; and,

**WHEREAS**, Hilcorp also reported that they are assured their team will discover additional development and exploratory opportunities over the lease; and

**NOW THEREFORE BE IT RESOLVED** the Board accepts Hilcorp's status report, and requires that Hilcorp provide a status report on their continued efforts to develop lease by March 13, 2019.

### **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 September 12, 2018, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

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



# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Authority to advertise  
Tracts for November 14,  
2018 Lease Sale

**Resolution #18-09-002**  
**(NOMINATION AND TRACT REPORT)**

WHEREAS, Mr. Emile Fontenot reported that thirty-two (32) tracts were nominated for the November 14, 2018 Mineral Lease Sale, and requested that same be advertised pending staff review;

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

That the State Mineral and Energy Board grant approval to advertise all such tracts for the November 14, 2018 Mineral Lease Sale;

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

**CERTIFICATE**

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 12th day of September 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 # 18-09-003**

(AUDIT REPORT)

Energyquest II, LLC Demand SL#s 329, 340, 1997, 1998, 1999, 2000, 2326, 12725, 12848, 13465, 16666, 16667, 16710, 16849, 16850, 16851, 17340, 19098 and 19109
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**WHEREAS**, the State Mineral and Energy Board caused an audit of Energyquest II, LLC to be performed of respecting the royalty payments under State Lease Nos. 329, 340, 1997, 1998, 1999, 2000, 2326, 12725, 12848, 13465, 16666, 16667, 16710, 16849, 16850, 16851, 17340, 19098 and 19109 in the Bayou Sales, Breton Sound Block 20, Clam Bay, Cote Blanche Island, Empire, Horseshoe Bayou, Main Pass Block 47, and West Cameron Block fields respectively; and

**WHEREAS**, documents are required from Energyquest II, LLC to complete the audit; and they have refused to submit until the party responsible has been determined to their satisfaction,

**WHEREAS**, the Staff of the Office of Mineral Resources has been unable to obtain these documents through the normal audit process with Energyquest II, LLC,

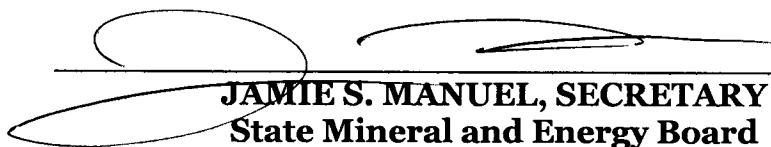
**ON MOTION** of Mr. Haik, seconded by Mr. Watkins, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

**THEREFORE BE IT RESOLVED**, that the Attorney General's office is hereby authorized to place formal demand upon Energyquest II, LLC and any affiliated parties or parties associated with the leases pertaining with the audit for documents necessary to complete the audit.

**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 Energyquest II, LLC and other related parties for collection of documents as prescribed by law should compliance with the demand request not be made in a reasonable time.

## 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 12<sup>th</sup> day of September, 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 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

Louisiana Delta Oil  
Company, LLC Demand  
SL#s. 18076 and 18651

## RESOLUTION # 18-09-004

(AUDIT REPORT)

**WHEREAS**, the State Mineral and Energy Board caused an audit of Louisiana Delta Oil Company, LLC to be performed of the respective royalty payments under State Lease Nos. 18076 and 18651 in the Delta Farms field; and

**WHEREAS**, the Staff of the Office of Mineral Resources has been unable to resolve and settle the outstanding audit issues;

**WHEREAS**, Louisiana Delta Oil Company LLC has failed to remit monthly state royalty reports and accompanying payment for gas from February 2018 through current;

**WHEREAS**, Payors are required to submit royalty payments by the 25<sup>th</sup> of every month along with respective state royalty reports;

**ON MOTION** of Mr. Watkins, seconded by Mr. Haik, 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 authorize the Attorney General's Office to place Louisiana Delta Oil Company LLC and any affiliated parties or parties associated with the leases on demand.

**BE IT FURTHER RESOLVED** that the Attorney General's office is authorized to file suit for unpaid royalty exceptions and unpaid monthly royalty should compliance with the demand request not be made within a reasonable time.

### CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 13<sup>th</sup> day of September, 2018 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Non-Payment of  
Royalty Demand  
Procedures

## RESOLUTION # 18-09-005

(AUDIT REPORT)

**WHEREAS**, pursuant to La. R.S. 30:136.A(1)(a), all bonuses, rentals, royalties, shut-in payments and other such sums payable to the State of Louisiana (State) for mineral leases upon state-owned lands shall be paid to the Office of Mineral Resources (OMR); and;

**WHEREAS**, non-payment or underpayment of royalty comes to the attention of the Mineral Income Division Staff (Staff) of OMR that is not timely resolved by the Payor;

**WHEREAS**, Staff seeks authority from the State Mineral and Energy Board (Board) to proceed in the following manner without any further direction from the Board when it comes to the attention of Staff that a Payor has submitted a State Royalty Report documenting that royalty payment is due without submission of sufficient corresponding payment or in any other situation where staff determines that a threat of nonpayment on future or ongoing production exists:

- 1) Staff will contact the Payor company regarding the non-payment and an incorrect reporting penalty billing will be issued;
- 2) Should payment not be made immediately after the Payor is contacted, the Attorney General is authorized by the Board to make a written demand for payment, in accordance with La. R.S. 31:137, for any past due royalties and/or penalty billings from the Payor and all parties associated with the leases;
- 3) Should compliance with the written demand not be made within the time required by statute, the Attorney General is authorized to seek all remedies prescribed by law including, but not limited to, judicial demand for all sums due, double the amount due as damages, attorney's fees and lease dissolution; and
- 4) If necessary and prudent under the particular circumstances, Staff, in conjunction with DNR Legal and the Attorney General's office, will contact the Purchaser of the product in an attempt to have the Purchaser remit payments directly to OMR on behalf of Payor.

**WHEREAS**, Staff, upon thorough review and consideration, recommended that the foregoing procedures be approved by the State Mineral and Energy Board;

**ON MOTION** of Mr. Haik, 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 authorize the Mineral Income Division Staff to proceed in the following manner without any further direction from the State Mineral and Energy Board when it comes to the attention of Staff that a Payor has submitted a State Royalty Report documenting that royalty payment is due without submission of sufficient corresponding payment or in any other situation where staff determines that a threat of nonpayment on future or ongoing production exists:

- 1) Staff will contact the Payor company regarding the non-payment and an incorrect reporting penalty billing will be issued;
- 2) Should payment not be made immediately after the Payor is contacted, the Attorney General is authorized by the Board to make a written demand for payment, in accordance with La. R.S. 31:137, for any past due royalties and/or penalty billings from the Payor and all parties associated with the leases;
- 3) Should compliance with the written demand not be made within the time required by statute, the Attorney General is authorized to seek all remedies prescribed by law including, but not limited to, judicial demand for all sums due, double the amount due as damages, attorney's fees and lease dissolution; and
- 4) If necessary and prudent under the particular circumstances, Staff, in conjunction with DNR Legal and the Attorney General's office, will contact the Purchaser of the product in an attempt to have the Purchaser remit payments directly to OMR on behalf of the Payor.

**CERTIFICATE**

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 12<sup>th</sup> day of September, 2018 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.

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

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### Resolution #18-009-006 (DOCKET)

On motion of Mr. Hollenshead, 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 September 12, 2018 meeting be approved, said instrument being an Assignment from Camterra Resources Partners, Ltd. to Elm Grove Holdings, L.L.C., an undivided 50% of 8/8ths interest in and to State Lease No. 16717, Bossier and Caddo Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease covers all intervals, formations, strata and depths located above the stratigraphic equivalent of the log depth of 10,550', **AND INSOFAR AND ONLY INSOFAR** as said lease lies within the geographical boundaries of LCV RA SU 79, Theoretical Section 30, T17N, R13W, with further particulars being stipulated in the instrument.

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

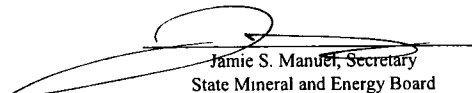
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 12<sup>th</sup> day of September, 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. Manuff, Secretary  
State Mineral and Energy Board

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #18-009-007

(DOCKET)

On motion of Mr. Hollenshead, 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 September 12, 2018 meeting be approved, said instrument being an Assignment from Camterra Resources Partners, Ltd. to Elm Grove Holdings, L.L.C., an 100% of 8/8<sup>th</sup> interest in and to State Lease No 19121, Caddo Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease covers all intervals, formations, strata and depths located above the stratigraphic equivalent of the log depth of 10,550', with further particulars being stipulated in the instrument.

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

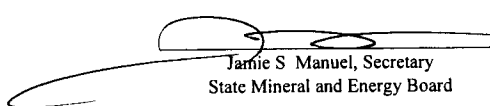
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 12<sup>th</sup> day of September, 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 #18-009-008

**(DOCKET)**

On motion of Mr. Hollenshead, 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 September 12, 2018 meeting be approved, said instrument being an Assignment from Camterra Resources Partners, Ltd. to Elm Grove Holdings, L.L.C., an undivided 47.576666% of 8/8ths interest in and to State Lease No. 17946, Caddo Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease covers all intervals, formations, strata and depths located between the surface of the earth and the base of the Pettet Formation, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

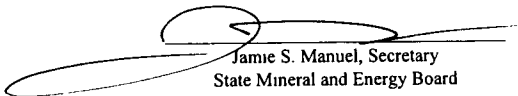
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby, and

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12<sup>th</sup> day of September, 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 #18-009-009

(DOCKET)

On motion of Mr. Hollenshead, 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 September 12, 2018 meeting be approved, said instrument being an Assignment from Camterra Resources Partners, Ltd. to Elm Grove Holdings, L.L.C. an undivided 55% of 8/8ths interest in and to State Lease No. 19193, Caddo Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease covers between the surface of the earth and the log depth of 9,650', with further particulars being stipulated in the instrument.

Elm Grove Holdings, 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;

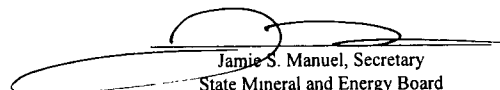
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 12<sup>th</sup> day of September, 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 #18-009-010

#### (DOCKET)

On motion of Mr. Hollenshead, 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. 5 from the September 12, 2018 meeting be approved, said instrument being an Assignment from Apache Corporation to GOME 1271, LLC, of all of Assignor's right, title and interest in and to State Lease Nos 21608, 21615 and 21616, Terrebonne Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said leases cover the rights from the surface of the earth down to the stratigraphic equivalent depth of 17,621' as seen in the DISC 12 RA SUA, SL 21615 #001 Well, with further particulars being stipulated in the instrument

GOME 1271, 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 12<sup>th</sup> day of September, 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 #18-009-011

#### (DOCKET)

On motion of Mr. Hollenshead, 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 September 12, 2018 meeting be approved, said instrument being an Assignment from SWN Production Company, LLC to Velandera Energy Partners, LLC, an undivided 51% of Assignor's right, title and interest in and to State Lease Nos. 21320, 21322, 21750, 21757 and 21758, Union Parish, Louisiana, with further particulars being stipulated in the instrument

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

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

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

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

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

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

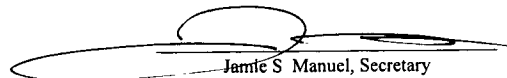
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

#### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 12<sup>th</sup> day of September, 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 #18-009-012

#### (DOCKET)

On motion of Mr. Hollenshead, 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. 7 from the September 12, 2018 meeting be approved, said instrument being an Assignment from Camterra Resources Partners, Ltd. to Elm Grove Holdings, L.L.C., an undivided 47.57666% of 8/8ths in and to State Lease No. 16717, Caddo and Bossier Parishes, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease covers all intervals, formations, strata and depths located above the stratigraphic equivalent of the log depth of 10,550', **AND INSOFAR AND ONLY INSOFAR** as said lease covers land located within Theoretical Section 19, T16N, R12W and within Theoretical Sections 24, 25 and 26, T16N, R13W, with further particulars being stipulated in the instrument

Elm Grove Holdings, 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;

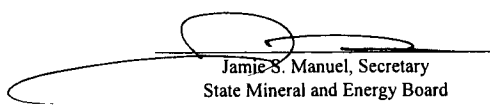
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 12<sup>th</sup> day of September, 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 #18-009-013

(DOCKET)

On motion of Mr. Hollenshead, 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. 8 from the September 12, 2018 meeting be approved, said instrument being an Assignment from Edward Oil Company to Bodel Holdings, L.L.C., of all of Assignor's right, title and interest in and to State Lease Nos 15009 and 15057, Jefferson Parish, Louisiana, with further particulars being stipulated in the instrument

Bodel Holdings, 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 12<sup>th</sup> day of September, 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 #18-009-014

#### (DOCKET)

On motion of Mr. Hollenshead, 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. 9 from the September 12, 2018 meeting be approved, said instrument being an Assignment from Ironstone Energy, LLC to Gulf Coast Western, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 18748, 18868 and 19208, Jefferson and Lafourche Parishes, Louisiana, with further particulars being stipulated in the instrument.

Gulf Coast Western, 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 12<sup>th</sup> day of September, 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