

# **MINUTES**

## **STATE MINERAL AND ENERGY BOARD**

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

**AUGUST 14, 2019**

JOHN BEL EDWARDS  
GOVERNOR



THOMAS F. HARRIS  
SECRETARY

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

**Opening of Bids**  
**August 14, 2019**

A public meeting for the purpose of opening sealed bids was held on Wednesday, August 14, 2019, beginning at 8:32 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Emile Fontenot presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of Tract No. 45179 which was published for lease by the Board at today's sale.

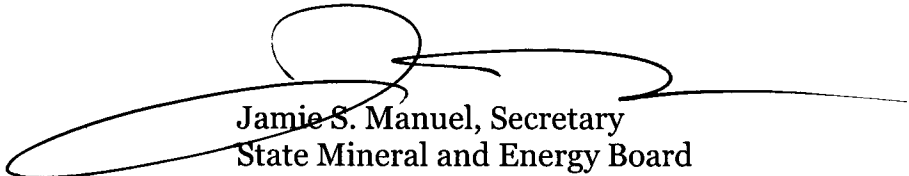
Mr. Fontenot stated that there were no letters of protest received for today's Lease Sale.

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 Fontenot stated that there were no tracts to be withdrawn from today's Lease Sale.

Mr. Fontenot stated that there were no bids received.

There being no further business, the meeting was concluded at 8:33 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**  
**August 14, 2019**

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, August 14, 2019**, beginning at 9:40 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

**I. CALL TO ORDER**

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

**II. ROLL CALL**

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

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

The following members of the Board were recorded as absent:

**Kyle "Chip" Kline, Jr.**  
**Byron L. Lee**

Mr. Manuel announced that nine (9) members of the Board were present when the roll call was taken and that a quorum was established.

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

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

### **IV. APPROVAL OF THE JULY 10, 2019 MINUTES**

The Chairman stated that the first order of business was the approval of the July 10, 2019 Minutes. A motion was made by Ms. Michaud-Dugas to adopt the Minutes as submitted and to waive reading of same. Her motion was seconded by Mr. Watkins unanimously adopted by the Board. (No public comment was made at this time.)

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

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

### **VI. STAFF REPORTS**

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

**a) LEASE REVIEW REPORT**  
**August 14, 2019**  
(Resolution No(s). 19- 08-001)

**I. GEOLOGICAL AND ENGINEERING STAFF REVIEW**

According to the SONRIS database, there are 1,145 active State Leases containing approximately 485,281 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 86 leases covering approximately 30,252 acres for lease maintenance and development issues.

**II. BOARD REVIEW**

1. A staff report on State Lease 2620, Lake Pelto Field, Terrebonne Parish. Texas Petroleum Investment Company and Castex Energy Partners, LP are the lessees. Upon motion of Mr. Arnold, seconded by Ms. LeBlanc, the Board accepted the partial release of approximately 218 acres and placed the lease on staff review status.

**III. REPORT ON ACTIONS EXERCISED BY THE STAFF UNDER DELEGATED AUTHORITY**

1. No Objection to Produce Well Prior to Unit Creation, (TB 110 Sd RA SU, State Lease 1249 No. 113 Well, SN 251363), affecting State Leases 301, 1247, 1249, 2856, 21848, 21849, 21850, Caillou Island Field, Terrebonne Parish, Louisiana.

**IV. FORCE MAJEURE**

There were no Force Majeure items reported to the Board.

**b) NOMINATION AND TRACT REPORT**

**August 14, 2019**  
(Resolution No(s). 19-08-002)

The Board heard the report of Mr. Emile Fontenot on Wednesday August 14, 2019 relative to nominations received in the Office of Mineral Resources for the October 9, 2019 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of **Mr. Arnold**, duly seconded by **Ms. Michaud-Dugas**, the Board granted authority to Staff to advertise all such tracts that have been received by the Staff of the Office of Mineral Resources as well as any tracts that have been previously advertised and rolled over and otherwise approve the Nomination and Tract Report. **(Resolution No. 19-08-002)**

### **c) AUDIT REPORT August 14, 2019**

The first matter considered by the Board was a request to place Gulf Outlet Resources, LLC on demand for royalty exceptions as a result of a field audit.

Upon recommendation of Staff and upon motion of Mr. Arnold, seconded by Mr. Harris, the Board granted authorization to the Attorney General's Office to place Gulf Outlet Resources, 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 all royalty due, along with interest, penalty, and all other remedies prescribed by law. **(Resolution No. 19-08-003)**

The second matter considered by the Board was a penalty waiver request from Dynamic Offshore Resources, LLC for exceptions which were the result of a field audit.

Upon recommendation of Staff and upon motion made by Mr. Arnold, seconded by Mrs. LeBlanc, with one objection from Mr. Haik, the Board waived one hundred percent (100%), which amounts to \$96,402.97 of the total penalty assessed to Dynamic Offshore Resources, LLC. No comments were made by the public. **(Resolution No. 19-08-004)**

The third matter considered by the Board was the election of the August 2019 gas royalty to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

**d) LEGAL & TITLE REPORT**  
**August 14, 2019**  
(Resolution No(s). 19-08-005 thru 19-08-012)

The first matter considered by the State Mineral and Energy Board (Board) was a request from Ardenco, L.L.C. (Ardenco) to waive penalties assessed against Ardenco in the amount of \$28,200.00 for failure to renew their prospective leaseholder registration with OMR.

Staff reported that this was Ardenco's first infraction.

Staff recommended that the Board grant a full waiver of the liquidated damages assessed against Ardenco for failure to renew as a prospective leaseholder with OMR.

Upon motion of Mr. Hollenshead, seconded by Mr. Watkins, and by unanimous vote of the Board, the Board voted to approve the request from Ardenco in the above referenced matter. There were no comments from the public. **(Resolution No. 19-08-005)**

The second matter considered by the Board was a request from Castex Energy Partners, LLC to extend the authority to escrow funds derived from production in the LL&E No. 1 Well (Serial No. 250180), TEX L-CIB C RA SUA unit, King Lake Field, Terrebonne Parish, granted initially under Resolution #18-08-008 dated August 8, 2018.

Staff reported due to ongoing negotiations with the disputing landowner, ConocoPhillips/LL&E, the Staff and the Attorney General's Office recommended a six (6) month extension or until the February 12, 2020 Board Meeting.

Upon motion of Mr. Arnold, seconded by Mr. Haik, and by unanimous vote of the Board, the Board voted to approve the request from Castex Energy Partners, LLC to extend the authority to escrow funds derived from production on the above referenced item. There were no comments from the public. **(Resolution No. 19-08-006)**

The third matter brought before the Board was a request from Belle Exploration, Inc. (Belle) to extend the authority to escrow funds derived from production attributable to disputed ownership of active wells situated within State Lease Nos. 16826, 16827, and 17313 located in Catahoula Lake, LaSalle Parish, Louisiana, granted under Resolution #19-02-010 dated February 13, 2019.



Staff reported that Belle is requesting that the authority to escrow funds in reference to the above State Leases be extended an additional 120 days or until the Louisiana Supreme Court releases a ruling due to the pending litigation involving the edge of Catahoula Lake, Crooks vs Department of Natural Resources.

Staff and the Attorney General's Office recommended a six (6) month extension or until the February 12, 2020 Board Meeting due to the pending litigation, including an upcoming hearing for Belle in September.

Upon motion of Ms. LeBlanc, seconded by Mr. Arnold, and by unanimous vote of the Board, the Board voted to approve the request from Belle to extend the authority to escrow funds derived from production on the above referenced State Leases for an additional six (6) months or until the February 12, 2020 Board Meeting. There were no comments from the public. **(Resolution No. 19-08-007)**

The fourth matter brought before the Board was a request from Krewe Energy, LLC (Krewe) to extend the authority to escrow funds derived from production attributable to Unit Tracts 4A and 6A within State Lease No. 21698 located in the EXPOSITO B RF SUA unit, Lapeyrouse Field, Terrebonne Parish, granted under Resolution #19-02-007 dated February 13, 2019 for six (6) months.

Staff reported that Krewe has complied with the Board's escrow requirements relative to reporting and bank statement submission. Staff continued that notification has been received that the new legal representation retained by LL&E, the disputing landowner for Unit Tract 4A, has been instructed to diligently pursue settlement with the State.

Staff reported that due to the pendency of two (2) years with little progress toward settlement, Staff was presently unable to recommend that the Board grant an extension to escrow funds. However, Staff was open to and expected interested parties to attend the Board Meeting and provide justification for granting the extension for this unit.

Staff continued that another disputed area within this same unit was Unit Tract 6A. The owners, Easton Picou, et al, numbered over 400. No representative for these landowners had been identified or had come forward to allow progress to be made toward settlement.

Mr. Jamie Manuel, Secretary of OMR, recommended that the Board extend Krewe's authority to escrow funds derived from production attributable to Unit Tracts 4A and 6A within State Lease No. 21698 located in the EXPOSITO B RF SUA unit,

Lapeyrouse Field, Terrebonne Parish, for an additional six (6) months or until the February 12, 2020 Board Meeting.

Upon motion of Mr. Watkins, seconded by Ms. Michoud-Dugas, and by unanimous vote of the Board, the Board voted to approve the request from Krewe to extend the authority to escrow funds derived from production attributable to the above referenced matter. Public comments were received by Mr. Charles D. Marshall, Jr. with the law firm of Milling Benson Woodward L.L.P. and Mr. Robert A. Schroeder. **(Resolution No. 19-08-008)**

The fifth matter brought before the Board was a request from Krewe Energy, LLC (Krewe) to extend for six (6) months the authority to escrow funds derived from production attributable to Unit Tract 1 within State Lease No. 21662 located in the FF-GG RA SUA unit, Lapeyrouse Field, Terrebonne Parish, granted under Resolution #19-02-008 dated February 13, 2019.

Staff reported that Krewe has complied with the Board's escrow requirements relative to reporting and bank statement submission. Staff continued that notification has been received that the new legal representation retained by Apache Minerals, the disputing landowner, has been instructed to diligently pursue settlement with the State.

Staff continued that due to the pendency of two (2) years with little progress toward settlement, Staff was presently unable to recommend that the Board grant an extension to escrow funds. However, Staff was open to and expected interested parties to attend the Board Meeting and provide justification for granting the extension for this unit.

Mr. Jamie Manuel, Secretary of OMR, recommended that the Board extend Krewe's authority to escrow funds derived from production attributable to Unit Tract 1 within State Lease No. 21662 located in the FF-GG RA SUA unit, Lapeyrouse Field, Terrebonne Parish, for an additional six (6) months or until the February 12, 2020 Board Meeting.

Upon motion of Mr. Watkins, seconded by Ms. Michoud-Dugas, and by unanimous vote of the Board, the Board voted to approve the request from Krewe to extend the authority to escrow funds derived from production attributable to the above referenced matter. Public comments were received by Mr. Charles D. Marshall, Jr. with the law firm of Milling Benson Woodward L.L.P. and Mr. Robert A. Schroeder. **(Resolution No. 19-08-009)**

The sixth matter brought before the Board was a request from Krewe Energy, LLC (Krewe) to extend for six (6) months the authority to escrow funds derived from production attributable to Unit Tracts 1 through 7 and Unit Tracts 13 through 21 within State Lease Nos. 21662, 21696, and 21697 located in the BOURG B SUI unit, Lapeyrouse Field, Terrebonne Parish, granted under Resolution #19-02-009 dated February 13, 2019.

Staff reported that Krewe has complied with the Board's escrow requirements relative to reporting and bank statement submission. Staff continued that notification has been received that new legal representation has been retained by the disputing landowner for Unit Tracts 1-7, Apache Minerals, and the disputing landowner for Unit Tract 19, LL&E, who has been instructed to diligently pursue settlement with the State.

Staff reported that due to the pendency of two (2) years with little progress toward settlement, Staff was presently unable to recommend that the Board grant an extension to escrow funds. However, Staff was open to and expected interested parties to attend the Board Meeting and provide justification for granting the extension for this unit.

Staff continued that Unit Tracts 13-18, 20 and 21 are also under dispute with those owners numbering over 500. No representative for those landowners had been identified or had come forward to allow progress to be made toward settlement.

Mr. Jamie Manuel, Secretary of OMR, recommended that the Board extend Krewe's authority to escrow funds derived from production attributable to Unit Tracts 1 through 7 and Unit Tracts 13 through 21 within State Lease Nos. 21662, 21696, and 21697 located in the BOURG B SUI unit, Lapeyrouse Field, Terrebonne Parish, for an additional six (6) months or until the February 12, 2020 Board Meeting.

Upon motion of Mr. Watkins, seconded by Ms. Michoud-Dugas, and by unanimous vote of the Board, the Board voted to approve the request from Krewe to extend the authority to escrow funds derived from production attributable to the above referenced matter. Public comments were received by Mr. Charles D. Marshall, Jr. with the law firm of Milling Benson Woodward L.L.P. and Mr. Robert A. Schroeder. **(Resolution No. 19-08-010)**

The seventh matter brought before the Board was a request from Mr. Theodore Haik, for discussion and adoption, to include in the Force Majeure Policy adopted by the Louisiana State Mineral Board in August 2005 that lessees be required to also submit an affidavit attesting to the completeness and accuracy of their request.

Upon motion of Mr. Haik, seconded by Mr. Arnold, and by unanimous vote of the Board, the Board voted to approve for inclusion in the Force Majeure Policy adopted by the Louisiana State Mineral Board in August 2005 that lessees be required to also submit an affidavit attesting to the completeness and accuracy of their request. Public comment was received by Mr. Pat Theophilus of Theophilus Oil, Gas and Land Services, LLC. **(Resolution No. 19-08-011)**

The eighth matter brought before the Board was a review and request for approval of Article 9 of the Proposed New Lease Form.

Upon motion of Mr. Arnold, seconded by Mr. Hollenshead, and opposed by Mr. Haik, the Board voted to preliminarily accept, as written, Article 9 of the Proposed New Lease Form. There were no comments from the public. **(Resolution No. 19-08-012)**

**e) DOCKET REVIEW REPORT**  
**August 14, 2019**  
(Resolution No(s). 19-08-013 thru 19-08-017)

The Board heard the report from Emile Fontenot on Wednesday, August 14, 2019, relative to the following:

- Category A: State Agency Leases  
Docket Item No. 1
- Category B: State Lease Transfers  
Docket Item Nos. 1 through 3
- 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 Mr. Harris, the Board voted unanimously to accept the following recommendations:

- Category A: State Agency Leases  
Approve Docket Item A (Resolution No. 19-08-013)
- Category B: State Lease Transfers  
Approve Docket Item Nos. 1 through 3  
(Resolution Nos. 19-08-014 through 19-08-016)
- Category D: Advertised Proposals  
Approve Docket Item No. 1  
(Resolution No. 19-08-017)

## VII. EXECUTIVE SESSION

The Chairman stated that the next order of business was discussions in Executive Session to consider matters before the Board which were confidential in nature. Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, the Board Members went into Executive Session at 10:39 a.m.

Upon motion of Ms. LeBlanc, seconded by Mr. Arnold, the Board reconvened in open session at 11:09 a.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion and request by the Attorney General's office to grant authority to BHP to suspend and escrow royalty payments from the HA RA SU70 (Clark et ux 7H-1 Well) pending resolution of negotiations for conflicting mineral title claims within the unit

Upon motion of Mr. Arnold, seconded by Mr. Harris, the Board approved the recommendation of the Attorney General's office to grant authority to BHP to suspend for six (6) months pending the formal request by BHP for escrow authority. No comments were made by the public. **(Resolution No. 19-08-018)**

- b. A discussion regarding the matter entitled: BHP Billiton Petroleum Properties (N.A.), et al. v. Joe Brunson Butler, et al., Docket No. 150625, Division C, Twenty-Sixth Judicial District Court, Bossier Parish

Upon motion of Mr. Arnold, seconded by Mr. Watkins, the Board granted authority to the Attorney General's office to negotiate settlement of this matter. No comments were made by the public. **(Resolution No. 19-08-019)**

- c. An update regarding the negotiations of the Gulf South Pipeline Company, LP Lake Bistineau Gas Storage matter

No action was taken by the Board on this matter.

- d. There were no bids received so the Board was not briefed in Executive Session on bids for today's lease sale.

## VIII. AWARDING OF LEASES

The Chairman stated that there were no leases to be awarded this month.

**IX. NEW BUSINESS**

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

Mr. Haik requested that there be a report on the language for unsecured creditors be provided to the Board Members at the September 11, 2019 meeting.

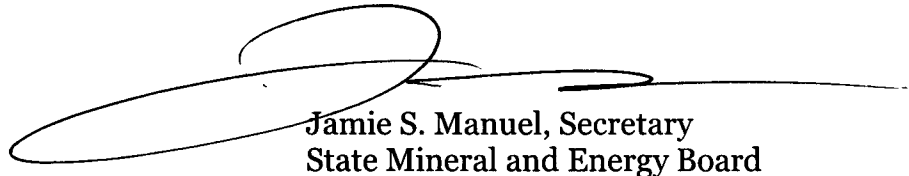
**X. ANNOUNCEMENTS**

There were no announcements made.

**XI. ADJOURNMENT**

The Chairman then stated there being no further business to come before the Board, upon motion of Mr. Arnold, seconded by Mr. Harris, the meeting was adjourned at 11:12 a.m.

Respectfully Submitted,



Jamie S. Manuel, Secretary  
State Mineral and Energy Board

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #19-08-001  
(LEASE REVIEW)**

Upon motion of Mr. Arnold, seconded by Ms. LeBlanc, the following resolution was offered and unanimously adopted by the State Mineral and Energy Board (Board):

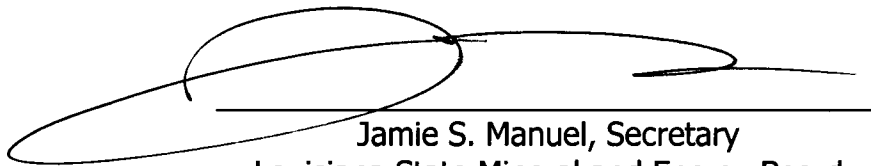
**WHEREAS**, the Board last reviewed State Lease 2620 on May 9, 2018, whereby the Board adopted the staff's recommendation to grant Texas Petroleum Investment Corporation (TPIC) until March 1, 2019 to drill one of their two prospects over the lease or submit a partial release of non-productive acreage; and,

**WHEREAS**, on July 2, 2019, TPIC emailed the staff a lease plat depicting approximately 218 acres to be released.

**NOW THEREFORE BE IT RESOLVED** the State Mineral and Energy Board adopted the staff's recommendation to accept the partial release of approximately 218 acres from TPIC and Castex Energy Partners, and further, to place the lease on staff review status.

## 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 August 14, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.



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



# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Authority to Advertise  
Tracts for October 9,  
2019 Lease Sale

## RESOLUTION #19-08-002

(NOMINATION AND TRACT REPORT)

**WHEREAS**, Mr. Emile Fontenot reported that four (4) tract(s) were nominated for the October 9, 2019 Mineral Lease Sale, and requested that same be advertised pending staff review;

**ON MOTION** of Mr. Arnold, 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 tract(s) for the October 9, 2019 Mineral Lease Sale;

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

### CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14th day of August 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Gulf Outlet Resources, LLC Demand SL# 4909
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**RESOLUTION # 19-08-003**

(AUDIT REPORT)

**WHEREAS**, the State Mineral and Energy Board caused an audit of Gulf Outlet Resources, LLC to be performed of respecting the royalty payments under State Lease No. 4909 in the Stuards Bluff field; and

**WHEREAS**, there are differences between Gulf Outlet Resources, LLC and the Board regarding the amount of royalty due by Gulf Outlet Resources, LLC; and

**WHEREAS**, the staff of the Office of Mineral Resources has been unable to resolve and settle the outstanding royalty due with Gulf Outlet Resources, LLC,

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

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

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

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral Board in the City of Baton Rouge, Louisiana on the 14<sup>th</sup> day of August, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral Board and is now in full force and effect.



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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #19-08-004  
(AUDIT REPORT)**

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

**WHEREAS**, The State Mineral and Energy Board caused an audit to be performed of state royalty payments made by Dynamic Offshore Resources, LLC in the Breton Sound Block 53 and West Cameron Block 21 fields; State Leases 3770, 12806, 15683, 16735, 16736, 16737, 16738, and 18287 which audit revealed that Dynamic Offshore Resources, LLC owed the state \$316,178.82 in underpayment of royalty and \$184,591.73 in interest and penalty for a total of \$500,770.55; and

**WHEREAS**, Dynamic Offshore Resources, LLC has remitted payment of \$404,367.58 for the outstanding principal and interest and made letter of application for reduction of penalties assessed in the amount of \$96,402.97 that were the result of incorrect royalty payments; and

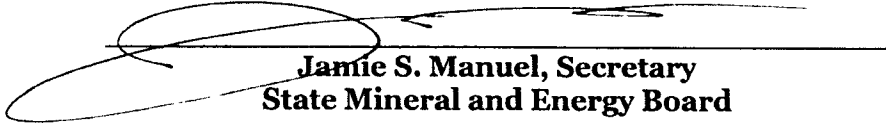
**WHEREAS**, the Staff of the Office of Mineral Resources, upon thorough review and consideration and in accordance with State Mineral and Energy Board established protocol, recommended that the foregoing request for a reduction of penalties be approved and that one hundred percent (100%) of the penalty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

**ON MOTION** of Mr. Arnold, seconded by Mrs. Leblanc with one objection by Mr. Haik, after discussion and careful consideration the following recommendation was offered and adopted by the Board;

**THEREFORE, BE IT RESOLVED** that the Board does waive one hundred percent (100%), which amounts to \$96,402.97 of the total penalty assessed to Dynamic Offshore Resources, LLC.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 14<sup>th</sup> day of August, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #19-08-005

(LEGAL & TITLE CONTROVERSY REPORT)

Ardenco, L.L.C. –  
Request for waiver of  
\$28,200.00 penalty  
assessment for failure  
to renew as prospective  
leaseholder with OMR

**WHEREAS**, a request was made by Ardenco, L.L.C. (Ardenco) for the State Mineral and Energy Board's (Board) consideration to waive the penalties assessed against Ardenco in the amount of \$28,200.00 for failure to renew their prospective leaseholder registration with the Office of Mineral Resources;

**WHEREAS**, based on the information furnished, Staff recommended that the Board grant a full waiver of the liquidated damages assessed;

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

**NOW THEREFORE, BE IT RESOLVED** that the Board hereby accepts Staff's recommendation and approves the request by Ardenco, L.L.C. to waive the penalties assessed in the amount of \$28,200.00 for failure to renew their prospective leaseholder registration with the Office of Mineral Resources.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 14<sup>th</sup> day of August, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #19-08-006

(LEGAL & TITLE CONTROVERSY REPORT)

Castex Energy Partners,  
LLC - Request to Extend  
Authority to Escrow Funds  
Subject to Title Dispute -  
21676, 21677 & A0383

**WHEREAS**, Castex Energy Partners, LLC (Castex) requests authority to extend escrow royalty payments initially granted by the State Mineral and Energy Board (Board) under Resolution No. 18-08-008 and extended by Resolution No. 19-02-006, attributable to LL&E No. 1 Well (Serial No. 250180) on disputed acreage lying within the TEX L-CIB C RA SUA Unit, King Lake Field, Terrebonne Parish, affecting State Operating Agreement A0383, State Lease No. 21676 and State Lease No. 21677; and

**WHEREAS**, the Office of Mineral Resources and the Staff of the Attorney General's Office offered the following recommendation for consideration by the Board:


That the Board approve the request by Castex to extend escrow royalty payments for six (6) months or until the February 12, 2020 Board Meeting on the above referenced matter due to ongoing negotiations with the disputing landowner, ConocoPhillips/LL&E.

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

**NOW THEREFORE, BE IT RESOLVED** that the request by Castex Energy Partners, LLC, to extend escrow royalty payments initially granted by the Board under Resolution No. 18-08-008 and extended by Resolution No. 19-02-006, attributable to the LL&E No. 1 Well (Serial No. 250180) on disputed acreage lying within the TEX L-CIB C RA SUA Unit, King Lake Field, Terrebonne Parish, affecting State Operating Agreement A0383, State Lease No. 21676 and State Lease No. 21677 until the February 12, 2020 State Mineral and Energy Board Meeting is hereby approved.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of August, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**RESOLUTION #19-08-007**  
**(LEGAL & TITLE CONTROVERSY)**

Belle Exploration Request to  
Extend Authority to Escrow  
Funds – State Lease Nos  
16826, 16827 & 17313

**WHEREAS**, Belle Exploration, Inc. (Belle) requests authority to extend escrow royalty payments previously granted by the State Mineral and Energy Board (Board) under Resolution No. 19-02-010 dated February 13, 2019, from production attributable to disputed ownership of active wells situated within State Lease Nos. 16826, 16827, and 17313 located in Catahoula Lake, LaSalle Parish, Louisiana; and

**WHEREAS**, Belle requests the authority to extend escrow royalty for the above referenced for an additional 120 days or until the Louisiana Supreme Court releases a ruling due to the pending litigation involving the edge of Catahoula Lake, Crooks vs Department of Natural Resources; and

**WHEREAS**, the Office of Mineral Resources and the Staff of the Attorney General's Office offered the following recommendation for consideration by the Board:

That the Board approve the request by Belle to extend escrow royalty payments for six (6) months or until the February 12, 2020 Board Meeting on the above referenced matter.

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

**NOW THEREFORE, BE IT RESOLVED** that the request by Belle Exploration, Inc., to extend escrow royalty payments initially granted by the Board under Resolution No. 19-02-010 from disputed ownership of active wells situated within State Lease Nos. 16826, 16827, and 17313 located in Catahoula Lake, LaSalle Parish until the February 12, 2020 State Mineral and Energy Board Meeting is hereby approved.

## **CERTIFICATE**

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of August, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #19-08-008

(LEGAL & TITLE CONTROVERSY REPORT)

Krewe Energy, LLC –  
Request to Extend Escrow  
for Six (6) Months; Tracts 4A  
& 6A; Esposito B RF SUA;  
State Lease No. 21698

**WHEREAS**, Krewe Energy, LLC requested authority to extend escrow royalty payments initially granted by the State Mineral and Energy Board (Board) under Resolution No. 17-08-006 and extended by Resolution Nos. 18-02-011, 18-08-004 and 19-02-007, attributable to Unit Tracts 4A and 6A within State Lease No. 21698 located in the EXPOSITO B RF SUA unit, Lapeyrouse Field, Terrebonne Parish, for an additional six (6) months; and

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

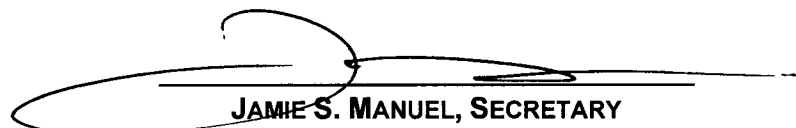
That the Board approve the request by Krewe Energy, LLC for extension of authority to escrow royalty payments derived on the above referenced for six (6) months or until the February 12, 2020 Board Meeting.

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

**NOW THEREFORE, BE IT RESOLVED** that the request by Krewe Energy, LLC to extend escrow royalty payments initially granted by the Board under Resolution No. 17-08-006 and extended by Resolution Nos. 18-02-011, 18-08-004 and 19-02-007, attributable to Unit Tracts 4A and 6A within State Lease No. 21698 located in the EXPOSITO B RF SUA unit, Lapeyrouse Field, Terrebonne Parish, is hereby approved and extended until the February 12, 2020 State Mineral and Energy Board Meeting.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of August, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #19-08-009

(LEGAL & TITLE CONTROVERSY REPORT)

Krewe Energy, LLC –  
Request to Extend Escrow  
for Six (6) Months; Unit  
Tract 1, FF-GG RA SUA;  
State Lease No. 21662

**WHEREAS**, Krewe Energy, LLC (Krewe) requests authority to extend escrow royalty payments, initially granted by the State Mineral and Energy Board (Board) under Resolution No. 17-09-007 and extended by Resolution Nos. 18-02-011, 18-08-005, and 19-02-008, attributable to Unit Tract 1 in the FF-GG RA SUA - Order 416-GGG, affecting State Lease No. 21662, Lapeyrouse Field located in Terrebonne Parish, Louisiana; for an additional six (6) months and

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

That the State Mineral and Energy Board approve the request by Krewe for extension of authority to escrow royalty payments for an additional six (6) months, derived from the production of Unit Tract 1 in the FF-GG RA SUA - Order 416-GGG, affecting State Lease No. 21662, Lapeyrouse Field located in Terrebonne Parish, Louisiana.

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

**NOW THEREFORE, BE IT RESOLVED** that the request by Krewe Energy, LLC for authority to extend the escrow of royalty payments, initially granted by the State Mineral and Energy Board (Board) under Resolution No. 17-09-007 and extended by Resolution Nos. 18-02-011, 18-08-005, and 19-02-008, attributable to Unit Tract 1 in the FF-GG RA SUA - Order 416-GGG, affecting State Lease No. 21662, Lapeyrouse Field located in Terrebonne Parish, Louisiana, is hereby approved until the February 12, 2020 State Mineral and Energy Board Meeting.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of August, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.

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



# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #19-08-010

(LEGAL & TITLE CONTROVERSY REPORT)

Krewe Energy, LLC –  
Request to Extend Escrow  
for Six (6) Months; Tracts  
1-7 & 13-21; BOURG B SUI;  
State Lease Nos. 21662,  
21696 & 21697

**WHEREAS**, Krewe Energy, LLC (Krewe) requests authority to extend escrow royalty payments, initially granted by the State Mineral and Energy Board (Board) under Resolution No. 17-08-005 and extended by Resolution Nos. 18-02-011, 18-08-003, and 19-02-008, attributable to Unit Tracts 1 through 7 and Unit Tracts 13 through 21 in the Bourg B SUI - Order 416-F-4, affecting State Lease Nos. 21662, 21696, and 21697, Lapeyrouse Field located in Terrebonne Parish, Louisiana, for an additional six (6) months; and

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

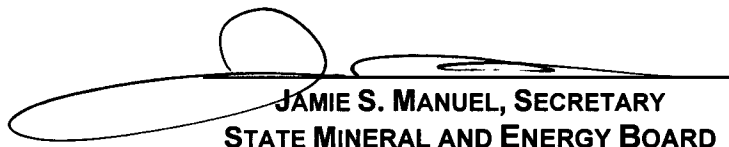
That the State Mineral and Energy Board approve the request by Krewe for extension of authority to escrow royalty payments for an additional six (6) months derived from the production of Unit Tracts 1 through 7 and Unit Tracts 13 through 21 in the Bourg B SUI - Order 416-F-4, affecting State Lease Nos. 21662, 21696, and 21697, Lapeyrouse Field located in Terrebonne Parish, Louisiana.

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

**NOW THEREFORE, BE IT RESOLVED** that the request by Krewe Energy, LLC for authority to extend the escrow of royalty payments initially granted by the State Mineral and Energy Board (Board) under Resolution No. 17-08-005 and extended by Resolution Nos. 18-02-011, 18-08-003, and 19-02-008, attributable to Unit Tracts 1 through 7 and Unit Tracts 13 through 21 in the Bourg B SUI - Order 416-F-4, affecting State Lease Nos. 21662, 21696, and 21697, Lapeyrouse Field located in Terrebonne Parish, Louisiana, is hereby approved until the February 12, 2020 State Mineral and Energy Board Meeting.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of August, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #19-08-011

Force Majeure Policy  
Affidavit Requirement

### (LEGAL & TITLE CONTROVERSY REPORT)

**WHEREAS**, a request was presented to the State Mineral and Energy Board (Board) by Mr. Theodore Haik, for discussion and adoption, for the inclusion in the Force Majeure Policy adopted in August 2005 by the Louisiana State Mineral Board, a requirement that lessees submit an affidavit attesting to the completeness and accuracy of a force majeure event; and

**WHEREAS**, the Staff of the Office of Mineral Resources (OMR) on behalf of the Board has gathered supporting documentation from lessees justifying the necessity for recognition of force majeure events affecting state leases since the adoption of the Board's 2005 Force Majeure Policy; and

**WHEREAS**, in addition to the information required in accordance with the Board's 2005 Force Majeure Policy, management of the Department of Natural Resources has instructed Staff that lessees must submit an affidavit attesting to the completeness and accuracy of a force majeure event.

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

**NOW THEREFORE BE IT RESOLVED**, that the State Mineral and Energy Board confirms this practice and instructs the Staff of the Office of Mineral Resources to continue this practice henceforth in addition to the August 2005 Force Majeure Policy requirements for reporting a force majeure event in prior resolutions as adopted by 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 14th day of August, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

## RESOLUTION #19-08-012

(LEGAL & TITLE CONTROVERSY REPORT)

Board Acceptance,  
as Written, of  
Proposed New  
Lease Form  
Article 9

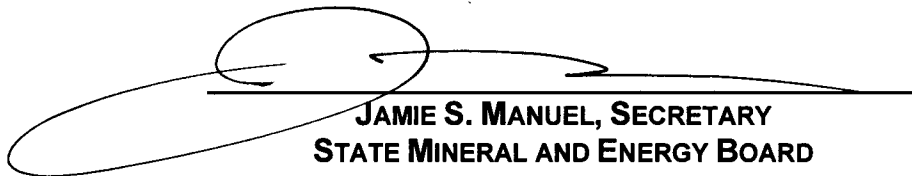
**WHEREAS**, there was a review and request for approval of Article 9 of the Proposed New Lease Form for the State Mineral and Energy Board; and

**WHEREAS**, after 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, opposed by Mr. Haik, the Board does hereby accept, in principle, Article 9 of the Proposed New Lease Form as written.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of August, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-008-013

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the August 14, 2019 meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Terrebonne Parish School District, acting under said authority for and on behalf of itself and the Lafourche Parish School Board, dated April 23, 2019, awarded to Fort Apache Energy, Inc., covering lands located in the Northeast quarter of Section 16, Township 19 South, Range 19 East, Lafourche and Terrebonne Parishes, Louisiana, less and except 2.80 acres, more or less, being navigable beds and bottoms of Bayou Pointe Aux Chienes, containing 157.20 acres, more or less, with further particulars being more enumerated in said instrument. Ownership of the property is divided as follows: Terrebonne Parish School Board (99084%) and Lafourche Parish School Board (.16%)

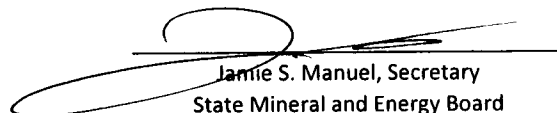
The State of Louisiana, through the State Mineral and Energy Board, asserts and claims title to the beds and bottoms of any navigable waterbed that may be located within the boundaries of the lands leased, and this approval shall not cover or extend to, or be construed as affecting the State's title 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 14th day of August, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
Jamie S. Manuel, Secretary  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-08-014

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the August 14, 2019 meeting be approved, said instrument being an Assignment from Woodlands Exploration, LLC to PetroQuest Energy, L.L.C., of all of Assignor's right, title and interest in and to State Lease No. 21861, Pointe Coupee and West Feliciana Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

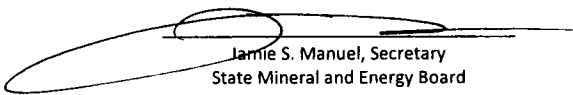
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 14th day of August, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
Jamie S. Manuel, Secretary  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### Resolution #19-08-015

#### (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the August 14, 2019 meeting be approved, said instrument being an Assignment from LLOG Bluewater Holdings, L.L.C. and LLOG Exploration Offshore, LLC to Tana Exploration Company, LLC, of all of Assignor's right, title and interest in and to State Lease No. 19718, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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

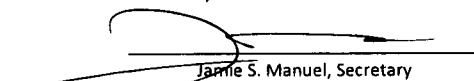
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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

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

#### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of August, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
Jamie S. Manuel, Secretary  
State Mineral and Energy Board

# RESOLUTION

## LOUISIANA STATE MINERAL AND ENERGY BOARD

### Resolution #19-08-016

#### (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the August 14, 2019 meeting be approved, said instrument being a Sublease from Hilcorp Energy I, L.P. and Entech Enterprises, Inc. to Krewe Energy, LLC, of all of Sublessor's right, title and interest, as more specifically described in Exhibit "A", affecting State Lease Nos. 1922, 2227, 2552 and 2566, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

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

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

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

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

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


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

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

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

#### CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14th day of August, 2019, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
Jamie S. Manuel, Secretary  
State Mineral and Energy Board

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #19-08-017

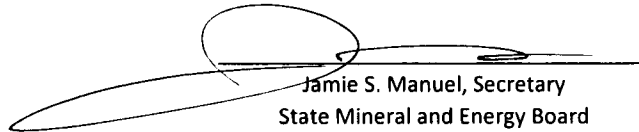
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 19-15 from the August 14, 2019 meeting be approved, said instrument a Lease Amendment by and between the State Mineral & Energy Board and Torrent Gulf Coast LLC, whereas said parties agree and stipulate to amend and increase the acreage amount from 61.00 acres to 89.90 acres, more or less, being specified in the lease property description of State Lease No. 21795, **FURTHERMORE**, said parties agree and stipulate to amend paragraph one (1) of the lease to revise the cash payment dollar amount, **AND FUTUREMORE** said parties agree and stipulate to amend paragraph three (3) of the lease to revise the rental payment dollar amount, affecting State Lease No. 21795, East and West Feliciana Parishes, Louisiana, with further particulars being stipulated in the instrument.

## CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 14<sup>th</sup> day of August, 2019 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

  
Jamie S. Manuel, Secretary  
State Mineral and Energy Board



# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion  
Re: BHP Escrow  
HA RA SU70  
(Clark et ux 7H-1 Well)

## RESOLUTION # 19-08-018

(EXECUTIVE SESSION)

**WHEREAS**, a discussion was held in Executive Session regarding a request by the Attorney General's office to grant authority to BHP to suspend and escrow royalty payments from the HA RA SU70 (Clark et ux 7H-1 Well) pending resolution of negotiations for conflicting mineral title claims within the unit;

**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 approve the recommendation of the Attorney General's office to grant authority to BHP to suspend for six (6) months pending the formal request by BHP for escrow authority.

### CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of August, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.

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

# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion  
Re: BHP Billiton Petroleum  
Properties (N.A.), et al. v. Joe  
Brunson Butler, et al.,  
Docket No. 150625, Div C  
26<sup>th</sup> JDC Bossier Parish

## RESOLUTION # 19-08-019

(EXECUTIVE SESSION)

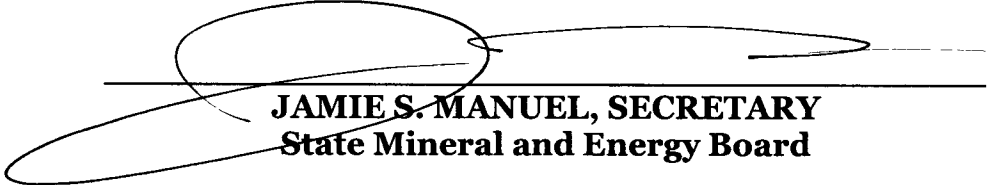
**WHEREAS**, a discussion was held in Executive Session regarding the matter entitled: BHP Billiton Petroleum Properties (N.A.), et al. v. Joe Brunson Butler, et al., Docket No. 150625, Division C, Twenty-Sixth Judicial District Court, Bossier Parish;

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

**NOW THEREFORE, BE IT RESOLVED** that the State Mineral and Energy Board does hereby grant authority to the Attorney General's office to negotiate settlement of this matter.

### CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of August, 2019 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



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