MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE
AND
BOARD MEETING

JANUARY 10, 2024

JEFF LANDRY
GOVERNOR

TYLER PATRICK GRAY
SECRETARY

VACANT
ASSISTANT SECRETARY

State of Louisiana

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

TO:	MEMBERS OF THE STATE MINERAL AND ENERGY BOARD AND REPRESENTATIVES OF THE OIL AND GAS INDUSTRY

January 10, 2024

LADIES and GENTLEMEN:

Certified proofs of publication have been received in the Office of Mineral Resources on behalf of the State Mineral and Energy Board for the State of Louisiana from the "Advocate," official journal for the State of Louisiana, and from the respective parish journals as evidence that **Tract Nos. 45706**, **45708** through **45731** and **45734** have been advertised in accordance with and under the provisions of Chapter 2, Title 30 of the Revised Statutes of 1950, as amended.

NOTE: **Tract Nos. 45707, 45732** and **45733** were not advertised by the parish journals due to a clerical error by the publisher.

Tract Nos. 45707, 45732 and **45733** will be withdrawn from today's lease sale. Any bids submitted on these tracts will be returned unopened.

We received one letter of protest on **Tract No. 45734** from Miami Corporation Management, LLC. Staff has determined this tract does contain state water bottoms.

Yours very truly,

Greg Roberts
Petroleum Lands Director

JEFF LANDRY
GOVERNOR

TYLER PATRICK GRAY
SECRETARY

VACANT
ASSISTANT SECRETARY

State of Louisiana

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

Opening of Bids
January 10, 2024

A public meeting for the purpose of opening sealed bids was held on Wednesday, January 10, 2024, beginning at 8:31 a.m.

Byron Miller presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of **Tract Nos. 45706, 45708** through **45731** and **45734** which was published for lease by the Board at today's sale.

Mr. Miller stated that **Tract Nos. 45707, 45732** and **45733** were not advertised by the parish journals due to a clerical error by the publisher.

Mr. Miller stated that **Tract Nos. 45707, 45732** and **45733** will be withdrawn from today's lease sale. Any bids submitted on these tracts will be returned unopened.

Mr. Miller stated that one letter of protest on **Tract No. 45734** from Miami Corporation Management, LLC was received, and Staff has determined this tract does contain state water bottoms.

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

<u>Tract 45706</u>
(Entire: 192 acres)

Bidder	:	CYPRESS ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$403,200.00
Annual Rental	:	$201,600.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals

Additional Consideration:
The Prospective Leaseholder, or its assigns, will include Tract Nos. 45706 in a unit to be formed for the Haynesville Zone, in Shreveport Field, so that the State participation in such unit will comprise at least approximately thirty (30%) percent of the total unit. This unit will comprise all of Section 4, in Township 17 North, Range 14 West, Caddo Parish, Louisiana. Please note that this acreage will be developed simultaneously with the State's acreage in Section 33 and the portion of Section 28 lying South of HA RA SUB.

Tract 45708
(Portion: 16.157 acres)

Bidder	:	CYPRESS ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$50,894.55
Annual Rental	:	$25,447.28
Royalties	:	25.1% on oil and gas
	:	25.1% on other minerals

Additional Consideration:
The Prospective Leaseholder is only bidding on the portion of Tract No. 45708 comprising Unit Tracts 12 and 12a as shown on that certain Unit Survey Plat for HA RA SUDD dated October 5, 2011 and approved by the Office of Conservation on February 22, 2017. The Prospective Leaseholder requests that said Unit Survey Plat be attached to the lease in order to accurately describe the tracts covered by said lease. The remaining portion of Tract No. 45708 is the subject matter of that certain Concursus Lawsuit captioned Vine Energy Operating, LP vs. Bedford L.L.C. et al and filed under Case No. 37943 in Red River Parish, Louisiana. Due to the conflict over the ownership of the remaining portion of Tract No. 45708, the Prospective Leaseholder requests to only bid on Unit Tract 12 and 12a or the undisputed portion.

Tract 45709
(Entire: 4 acres)

Bidder	:	CYPRESS ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$12,600.00
Annual Rental	:	$6,300.00
Royalties	:	25.1% on oil and gas
	:	25.1% on other minerals
Additional Consideration	:	None

Tract 45713
(Entire: 31 acres)

Bidder	:	DUNN EXPLORATION COMPANY, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$4,650.00
Annual Rental	:	$2,325.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45714
(Entire: 33 acres)

Bidder	:	DUNN EXPLORATION COMPANY, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$4,950.00
Annual Rental	:	$2,475.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45715
(Entire: 51 acres)

Bidder	:	DUNN EXPLORATION COMPANY, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$7,650.00
Annual Rental	:	$3,825.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45720
(Portion: 62.09 acres)

Bidder	:	ALLEN & KIRMSE, LTD.
Primary Term	:	Three (3) years
Cash Payment	:	$12,852.63
Annual Rental	:	$6,426.32
Royalties	:	20.5% on oil and gas
	:	20.5% on other minerals
Additional Consideration	:	None

Tract 45722
(Portion: 490.14 acres)

Bidder	:	ALLEN & KIRMSE, LTD.
Primary Term	:	Three (3) years
Cash Payment	:	$101,458.98
Annual Rental	:	$50,729.49
Royalties	:	20.5% on oil and gas
	:	20.5% on other minerals
Additional Consideration	:	None

Tract 45729
(Portion: +/- 419.77 acres)

Bidder	:	THEOPHILUS OIL, GAS & LAND
	:	SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$85,213.31
Annual Rental	:	$42,606.66
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 45731
(Entire: 13.520 acres)

Bidder	:	CYPRESS ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$43,940.00
Annual Rental	:	$21,970.00
Royalties	:	27.5% on oil and gas
	:	27.5% on other minerals
Additional Consideration	:	None

This concluded the reading of the bids.

There being no further business, the Opening of the Bids Meeting was concluded at 8:50 a.m.

Respectfully Submitted,

W. Paul Segura, Jr., Chairman
State Mineral and Energy Board

JEFF LANDRY
GOVERNOR

TYLER PATRICK GRAY
SECRETARY

VACANT
ASSISTANT SECRETARY

State of Louisiana

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

REGULAR MEETING
JANUARY 10, 2024

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, January 10, 2024**, beginning at 9:44 a.m. in the LaBelle Room of the LaSalle Building, 617 N. 3rd Street, First Floor, Baton Rouge, Louisiana.

I. CALL TO ORDER

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

II. ROLL CALL

The Chairman then called the roll for the purpose of establishing a quorum.

W. Paul Segura, Jr., Chairman
Carol R. LeBlanc, Vice-Chair
J. Todd Hollenshead
Robert D. Watkins
Thomas L. Arnold, Jr.
Rochelle A. Michaud-Dugas
Darryl D. Smith

The following members were recorded as absent:

Willie J. Young, Sr.
Harvey "Ned" White

Chairman Segura announced 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 DECEMBER 13, 2023 MINUTES

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

A motion was made by Ms. LeBlanc to adopt the December 13, 2023 Minutes as submitted, and to waive reading said minutes in entirety. Her motion was seconded by Mr. Watkins and unanimously adopted by the Board. (No public comments were made at this time.)

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

V. STAFF REPORTS

a) **Lease Review Report** – Presented by Jason Talbot, Petroleum Scientist Manager

b) **Nomination and Tract Report** – Presented by Greg Roberts, Petroleum Lands Director, Geology, Engineering and Land Division

c) **Audit Report** – Presented by Taletha Shorter, Audit Director, Mineral Income Division

d) **Legal and Title Controversy Report** – Presented by Greg Roberts, Petroleum Lands Director, Geology, Engineering and Land Division

e) **Docket Review Report** – Presented by Greg Roberts, Petroleum Lands Director, Geology, Engineering and Land Division

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

a) LEASE REVIEW REPORT
JANUARY 10, 2024

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 985 active State Leases containing approximately 415,274 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 98 leases covering approximately 22,590 acres for lease maintenance and development.

II. BOARD REVIEW

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

III. FORCE MAJEURE

1. There were no Force Majeure items to bring before the Board today.

b) NOMINATION AND TRACT REPORT
JANUARY 10, 2024
(Resolution No. 24-01-001)

The Board heard the report of Mr. Greg Roberts on Wednesday, January 10, 2024, relative to nominations received in the Office of Mineral Resources for the March 13, 2024 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of **Mr. Hollenshead,** 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. 24-01-001)**

c) AUDIT REPORT
JANUARY 10, 2024
(Resolution Nos. 24-01-002 through 24-01-003)

The first matter on the audit report was a recoupment request from Helis Oil & Gas Company, LLC for an overpayment in the amount of $26,080.02.

Upon motion by Mr. Arnold, seconded by Mr. Hollenshead, the Board voted unanimously to defer this item until next month's meeting on February 14, 2024. **(Resolution No. 24-01-002)**

The second matter on the audit report was a request to place Time Energy, LLC, and any parties associated with the leases, on demand for outstanding audit exceptions, which were the result of a field audit.

Upon recommendation of Staff and upon motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the Board granted authorization to the Attorney General's Office to place Time Energy, 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 outstanding audit exceptions should compliance with the demand request not be made within a reasonable time. **(Resolution No. 24-01-003)**

The third matter on the audit report was the election of the January 2024 gas royalty to be paid on an unprocessed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

No action required.

d) LEGAL & TITLE CONTROVERSY REPORT
JANUARY 10, 2024
(Resolution Nos. 24-01-004 through 24-01-005)

The first matter considered by the State Mineral and Energy Board (Board) was a request by Southern Oil of Louisiana ("Southern") for a ninety (90) day extension of State Lease No. 21864 (the "Lease") in exchange for half of an annual rental payment as described in the Lease. Said payment would be in the amount of $52,801.10 and would be made on or before February 9, 2024.

Staff reported that the Lease was previously set to expire on November 14, 2023. Prior to that date Southern commenced operations that extended the Lease an additional ninety (90) days, as per the terms of the Lease. Pending production or commencement of additional operations, the Lease is now set to expire on February 9, 2024. Southern has communicated to Staff that they would like to continue operations to sidetrack a well on the Lease and they will have access to a rig capable of doing so in March.

After unanimous vote of the Board and upon motion of Mr. Smith, seconded by Mr. Watkins, the State Mineral and Energy Board approved the request by Southern Oil of Louisiana for an extension of State Lease No. 21864 to May 31, 2024 in exchange for half of an annual rental payment as described in the Lease in the amount of $52,801.10 to be made on or before February 9, 2024. Comments were heard from Mr. Harvey Kelley, Chief Operating and Productions Officer for Southern Oil of Louisiana. **(Resolution No. 24-01-004)**

The second matter considered by the Board was a request by Williams Pipeline to temporarily remove state owned land from commerce while the State Mineral and Energy Board considers an Operating Agreement on land located in the Washington Gas Storage Area in St. Landry Parish, Louisiana.

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

After unanimous vote of the Board and upon motion of Mr. Hollenshead, seconded by Ms. Michaud-Dugas, the State Mineral and Energy Board approved the request by Williams Pipeline to temporarily remove state owned land from commerce while the State Mineral and Energy Board considers an Operating Agreement on land located in the Washington Gas Storage Area in St. Landry Parish, Louisiana. There were no comments from the public on this matter. **(Resolution No. 24-01-005)**

e) DOCKET REVIEW REPORT
JANUARY 10, 2024
(Resolution No(s). 24-01-006 thru 24-01-012)

The Board heard the report from Greg Roberts on Wednesday, January 10, 2024, 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 thru 6

Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category

Category D: Advertised Proposals
Docket Item No. 1

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

Category B: State Lease Transfers
Docket Item Nos. 1 thru 6
(Resolution Nos. 24-01-006 thru 24-01-010)

Category D: Advertised Proposals
Docket Item No. 1
(Resolution No. 24-01-012)

VI. EXECUTIVE SESSION (Resolution No. 24-01-013)

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 10:13 a.m.

Upon motion of Mr. Arnold, seconded by Ms. Michaud-Dugas, the Board reconvened in open session at 10:40 a.m. for consideration of the following matters discussed in Executive Session:

a. A discussion in executive session of an informal settlement proposal in the matter of State of Louisiana v. Chesapeake Louisiana, L.P., Docket No. C-727403, Nineteenth Judicial District Court.

   Upon motion of Mr. Watkins, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to move forward as proposed in Executive Session. There were no comments from the public on this matter. **(Resolution No. 24-01-013)**

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

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

c. Technical Briefing on Bids

VII. AWARDING OF LEASES

The Chairman called on Mr. Jason Talbot to present Staff's recommendations to the Board:

Staff reported there were twenty-nine (29) tracts up for bid at today's lease sale. Ten (10) bids were received on ten (10) of the tracts. Staff reported that all ten (10) bids were acceptable and recommended that leases be awarded on all bids received.

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

Tract 45706
(Entire: 192 acres)

Bidder	:	CYPRESS ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$403,200.00
Annual Rental	:	$201,600.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals

Additional Consideration:

The Prospective Leaseholder, or its assigns, will include Tract Nos. 45706 in a unit to be formed for the Haynesville Zone, in Shreveport Field, so that the State participation in such unit will comprise at least approximately thirty (30%) percent of the total unit. This unit will comprise all of Section 4, in Township 17 North, Range 14 West, Caddo Parish, Louisiana. Please note that this acreage will be developed simultaneously with the State's acreage in Section 33 and the portion of Section 28 lying South of HA RA SUB.

Tract 45708
(Portion: 16.157 acres)

Bidder	:	CYPRESS ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$50,894.55
Annual Rental	:	$25,447.28
Royalties	:	25.1% on oil and gas
	:	25.1% on other minerals

Additional Consideration:
The Prospective Leaseholder is only bidding on the portion of Tract No. 45708 comprising Unit Tracts 12 and 12a as shown on that certain Unit Survey Plat for HA RA SUDD dated October 5, 2011 and approved by the Office of Conservation on February 22, 2017. The Prospective Leaseholder requests that said Unit Survey Plat be attached to the lease in order to accurately describe the tracts covered by said lease. The remaining portion of Tract No. 45708 is the subject matter of that certain Concursus Lawsuit captioned Vine Energy Operating, LP vs. Bedford L.L.C. et al and filed under Case No. 37943 in Red River Parish, Louisiana. Due to the conflict over the ownership of the remaining portion of Tract No. 45708, the Prospective Leaseholder requests to only bid on Unit Tract 12 and 12a or the undisputed portion.

Tract 45709
(Entire: 4 acres)

Bidder	:	CYPRESS ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$12,600.00
Annual Rental	:	$6,300.00
Royalties	:	25.1% on oil and gas
	:	25.1% on other minerals
Additional Consideration	:	None

Tract 45713
(Entire: 31 acres)

Bidder	:	DUNN EXPLORATION COMPANY, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$4,650.00
Annual Rental	:	$2,325.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45714
(Entire: 33 acres)

Bidder	:	DUNN EXPLORATION COMPANY, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$4,950.00
Annual Rental	:	$2,475.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45715
(Entire: 51 acres)

Bidder	:	DUNN EXPLORATION COMPANY, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$7,650.00
Annual Rental	:	$3,825.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45720
(Portion: 62.09 acres)

Bidder	:	ALLEN & KIRMSE, LTD.
Primary Term	:	Three (3) years
Cash Payment	:	$12,852.63
Annual Rental	:	$6,426.32
Royalties	:	20.5% on oil and gas
	:	20.5% on other minerals
Additional Consideration	:	None

Tract 45722
(Portion: 490.14 acres)

Bidder	:	ALLEN & KIRMSE, LTD.
Primary Term	:	Three (3) years
Cash Payment	:	$101,458.98
Annual Rental	:	$50,729.49
Royalties	:	20.5% on oil and gas
	:	20.5% on other minerals
Additional Consideration	:	None

<u>Tract 45729</u>
(Portion: +/- 419.77 acres)

Bidder	:	THEOPHILUS OIL, GAS & LAND
	:	SERVICES, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$85,213.31
Annual Rental	:	$42,606.66
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

<u>Tract 45731</u>
(Entire: 13.520 acres)

Bidder	:	CYPRESS ENERGY PARTNERS, LLC
Primary Term	:	Three (3) years
Cash Payment	:	$43,940.00
Annual Rental	:	$21,970.00
Royalties	:	27.5% on oil and gas
	:	27.5% on other minerals
Additional Consideration	:	None

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

This concluded the awarding of the leases.

VIII. NEW BUSINESS

There was no new business.

IX. ANNOUNCEMENTS

The Chairman stated that the leases awarded totaled $727,409.47 for the January 10, 2024 Lease Sale bringing the fiscal year total to $7,363,825.19.

XI. ADJOURNMENT

The Chairman then stated that there being no further business to come before the Board, upon motion of Mr. Watkins, seconded by Ms. Michaud-Dugas, the meeting was adjourned at 10:42 a.m.

Respectfully Submitted,

W. Paul Segura, Jr., Chairman
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Authority to Advertise Tracts for the March 13, 2024 Lease Sale

RESOLUTION #24-01-001

(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Greg Roberts reported that three (3) tracts were nominated for the March 13, 2024 Mineral Lease Sale, and requested that same be advertised pending staff review;

ON MOTION of **Mr. Hollenshead**, 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 March 13, 2024 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 10th day of January, 2024, 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.

W. Paul Segura, Jr., Chairman
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Re: Recoupment Request of Helis Oil & Gas Company, LLC

RESOLUTION #24-01-002

(AUDIT REPORT)

WHEREAS, a recoupment request was made by Helis Oil & Gas Company, LLC for an overpayment in the amount of $26,080.02; and

ON MOTION of Mr. Arnold, 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 deferred this item for consideration at the February 14, 2024 meeting.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of January, 2024 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.

W. PAUL SEGURA, JR., CHAIRMAN
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 24-01-003

(AUDIT REPORT)

Demand Time Energy, LLC

WHEREAS, the State Mineral and Energy Board caused an audit of Time Energy, LLC to be performed of the respective royalty payments under State Lease Nos. 01794, 11352 and 16403 in the Cox Bay field; and Pointe A La Hache field

WHEREAS, there are differences between Time Energy, LLC and the Board regarding the amount of royalty due by Time Energy, LLC; and

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

ON MOTION of Ms. Michaud-Dugas, 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 Time Energy, LLC and any affiliated parties or parties associated with the leases pertaining to the audit all royalty due, along with interest, penalty, and all other remedies prescribed by law.

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

<u>CERTIFICATE</u>

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 10th day of January, 2024, 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.

W. PAUL SEGURA JR., CHAIRMAN
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Request by Southern Oil of Louisiana for extension of SL No. 21864 in exchange for half of an annual rental payment.

RESOLUTION #24-01-004

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request was received by the State Mineral and Energy Board from Southern Oil of Louisiana ("Southern") for ninety (90) day extension of State Lease No. 21864 (the "Lease") in exchange for half of an annual rental payment as described in the Lease; and

WHEREAS, the Staff reported that the Lease was previously set to expire on November 14, 2023, and prior to that date, Southern commenced operations that extended the Lease an additional ninety (90) days, as per the terms of the Lease; and

WHEREAS, the Staff reported that pending production or commencement of additional operations, the Lease is now set to expire on February 9, 2024 and Southern has communicated to Staff that they would like to continue operations to sidetrack a well on the Lease and will have access to a rig capable of doing so in March.

ON MOTION of Mr. Smith, 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 approve the request by Southern Oil of Louisiana for an extension of State Lease No. 21864 through May 31, 2024 in exchange for half of an annual rental payment as described in the Lease in the amount of $52,801.10 to be made on or before February 9, 2024.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of January, 2024, 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.

W. PAUL SEGURA JR., CHAIRMAN
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

CTR Oil, Inc. request to temporarily remove state owned land from commerce while the SMEB considers an Operating Agreement on land located within Section 16, Township 8 North, Range 2 East, in LaSalle Parish, LA.

RESOLUTION #24-01-005

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, the State Mineral and Energy Board received a request from Williams Pipeline to temporarily remove state owned land from commerce while the State Mineral and Energy Board considers an Operating Agreement on land located in the Washington Gas Storage Area in St. Landry Parish, Louisiana; and

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

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

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board hereby accepts Staff's recommendation to grant the Staff authority to temporarily remove state owned land from commerce while the State Mineral and Energy Board considers an Operating Agreement with Williams Pipeline on land located in the Washington Gas Storage Area in St. Landry Parish, Louisiana.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of January, 2024 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.

W. PAUL SEGURA JR., CHAIRMAN
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-01-006
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the January 10, 2024 meeting be approved, said being an Assignment from CSL CM II, LP to Castex Energy 2021, LLC, a 17.5% of Assignor's right, title and interest in and to State Lease Nos. 21608, 21615, 21616, 21676, 21677 and Operating Agreement "A0383", Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Castex Energy 2021, 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 10th day of January, 2024, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

W. Paul Segura, Jr., Chairman of the Board
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-01-007
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the January 10, 2024 meeting be approved, said being an Assignment from CSL CM II, LP to Castex Energy 2021, LLC, a 17.5% of Assignor's right, title and interest in and to Operating Agreement "A0391", Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Castex Energy 2021, 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 10th day of January, 2024, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

W. Paul Segura, Jr., Chairman of the Board
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-01-008
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the January 10, 2024 meeting be approved, said being An Assignment from Houston Energy, L.P., an undivided 77.27441% interest to the following in the proportions set out below:

CL&F Resources L.P.	31.81583%
FLEX Fund Oil & Gas 1, Inc.	17.04420%
Howard Energy Co., Inc.	15.91530%
Tauber Oil Company	6.81768%
Wildes Exploration, LLC	5.68140%

in and to State Lease No. 19908, Jefferson Parish, Louisiana, AND an Assignment from Houston Energy, L.P, an undivided 49.84199% interest to the following in the proportions set out below:

CL&F Resources L.P.	20.52122%
FLEX Fund Oil & Gas 1, Inc.	10.99350%
Howard Energy Co., Inc.	10.26537%
Tauber Oil Company	4.39740%
Wildes Exploration, LLC	3.66450%

in and to State Lease No. 2453, Jefferson Parish, Louisiana, INSOFAR AND ONLY INSOFAR AS said lease is included and situated within the geographic confines of the TP 1-2 RB SUA, AND FURTHER INSOFAR AND ONLY INSOFAR AS said lease covers and affects those certain depths, strata and horizons lying and situated from the surface of the earth down to and including 100' below the base of the TP 1-2 Zone, Reservoir B in Little Lake Field, AND an Assignment from Houston Energy, L.P., an undivided 36.76554% interest to the following in the proportions set out below:

CL&F Resources L.P.	15.13730%
FLEX Fund Oil & Gas 1, Inc.	8.10927%
Howard Energy Co., Inc.	7.57217%
Tauber Oil Company	3.24371%
Wildes Exploration, LLC	2.70309%

in and to State Lease No. 20102, Jefferson Parish, Louisiana, INSOFAR AND ONLY INSOFAR AS said lease is included and situated within the geographic confines of the TP 1-2 RB SUA, AND FUTHER INSOAR AND ONLY INSOFAR AS said lease covers and affects those certain depths, strata and horizons lying and situated from the surface of the earth down to and including 100' below the base of the TP 1-2 Zone, Reservoir B in Little Lake Field, with further particulars being stipulated in the instrument.

CL&F Resources L.P. 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 10th day of January, 2024, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

W. Paul Segura, Jr., Chairman of the Board
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-01-009
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the January 10, 2024 meeting be approved, said being an Assignment from CSL Exploration, LP to Castex Energy 2021, LLC, a 17.5% of Assignor's right, title and interest in and to State Lease Nos. 21608, 21615, 21616, 21676, 21677 and Operating Agreement "A0383", Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Castex Energy 2021, 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 10th day of January, 2024, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

W. Paul Segura, Jr., Chairman of the Board
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-01-010
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the January 10, 2024 meeting be approved, said being an Assignment from QuarterNorth Energy LLC to W&T Offshore, Inc., of all of Assignor's right, title and interest in and to State Lease Nos. 15683, 17675, 17860 and 19718, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

Southern Oil of Louisiana LLC is designated as the joint account Lessee (contact company) for State Lease Nos. 15683, 17675 and 17860 pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

Breton Sound Holdings, LLC is designated as the joint account Lessee (contact company) for State Lease No. 19718 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 10th day of January, 2024, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

W. Paul Segura, Jr., Chairman of the Board
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-01-011
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 6 from the January 10, 2024 meeting be approved, said being a Wellbore Assignment from Comstock Oil & Gas-Louisiana LLC to CRP XII, LLC, of all of Assignor's right, title and interest in and to State Lease No. 20038, Red River Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** to the following wells: C Land 8&5-13-10 HC 1-ALT, C Land 8&5-13-10 HC 2-ALT, C Land 8&5-13-10 HC 3-ALT and C Land 8&5-13-10 HC 4-Alt, with further particulars being stipulated in the instrument.

CRP XII, 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 10th day of January, 2024, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

W. Paul Segura, Jr., Chairman of the Board
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-01-012

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item 24-01 from the January 10, 2024 meeting be approved, said instrument being an Operating Agreement by and between the State of Louisiana and Extex Production Offshore, LLC, to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the state a State Production Interest equal to 20% before payout and 10.5% after payout said operating tract containing 79.61 acres, more or less, covering former Sate Lease No. 21938, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 10th day of January, 2024 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.

W. Paul Segura, Jr., Chairman of the Board
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Informal settlement proposal
in the matter of State of Louisiana
v. Chesapeake Louisiana, L.P.,
Docket No. C-727403, 19th JDC

RESOLUTION #24-01-013

(EXECUTIVE SESSION)

WHEREAS, a discussion in Executive Session of an informal settlement proposal in the matter of State of Louisiana v. Chesapeake Louisiana, L.P., Docket No. C-727403, Nineteenth Judicial District Court was held; and

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Staff and the Attorney General's office to move forward as proposed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 10th day of January, 2024 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.

W. PAUL SEGURA, JR., CHAIRMAN
State Mineral and Energy Board