

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE
AND
BOARD MEETING

JUNE 12, 2024

JEFF LANDRY
GOVERNOR



TYLER PATRICK GRAY
SECRETARY

ANDREW YOUNG
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
--

June 12, 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. **45797** through **45813** have been advertised in accordance with and under the provisions of Chapter 2, Title 30 of the Revised Statutes of 1950, as amended.

We will proceed with the opening of the bids.

Yours very truly,

A handwritten signature in blue ink, appearing to be "GR", written over a horizontal line.

Greg Roberts
Petroleum Lands Director

JEFF LANDRY
GOVERNOR



TYLER PATRICK GRAY
SECRETARY

ANDREW YOUNG
ASSISTANT SECRETARY

State of Louisiana

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

OPENING OF BIDS June 12, 2024

A public meeting for the purpose of opening sealed bids was held on Wednesday, June 12, 2024, beginning at 8:31 a.m.

Angela Patterson, Land Specialist in the Energy Lands Division of the Office of Mineral Resources, presided over the meeting.

She then read the letters of notification certifying the legal sufficiency of the advertisement of Tracts 45797 through 45813 which were published for lease by the Board at today's sale.

Ms. Patterson stated that no tracts were withdrawn from today's lease sale.

Ms. Patterson further stated that no letters of protest were received for today's lease sale.

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

Tract 45797(1)

(Portion: 184.12 acres)

Bidder	:	M & M Lands, Inc.
Primary Term	:	Five (5) years
Cash Payment	:	\$113,786.16
Annual Rental	:	\$56,893.08
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 45797(2)

(Portion: 108.000 acres)

Bidders	:	Anchor Oil & Gas, LLC (12.5%) Sentinel Energy, LLC (67.5%) Maximum Energy, L.L.C. (20%)
Primary Term	:	Five (5) years
Cash Payment	:	\$16,200.00
Annual Rental	:	\$8,100.00
Royalties	:	19% on oil and gas 19% on other minerals

Additional Consideration: This lease is limited in depth from the surface of the earth to 100' below the base of the Siphonia Oavisi Sand. Reservoir A in the West Cameron Block 1 Field, that sand being previously defined as being that gas and condensate bearing sand encountered between the depths of 11,920 feet and 11,955 feet (electrical log measurement) in the Clayton Williams, Jr. Inc - State Lease 12848 No. 2 Well located in Section 9, Township 15 South, Range 7 West, Cameron Parish, Louisiana said sand being unitized and defined in Order 1358-C on March 20, 1990, and terminated on July 26, 2001

Tract 45799(1)

(Portion: 233 acres)

Bidder	:	M & M Lands, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$143,994.00
Annual Rental	:	\$71,997.00
Royalties	:	22% on oil and gas 22% on other minerals
Additional Consideration	:	None

Tract 45799(2)

(Portion: 110.000 acres)

Bidders	:	Anchor Oil & Gas, LLC (12.5%) Sentinel Energy, LLC (67.5%) Maximum Energy, L.L.C. (20%)
Primary Term	:	Three (3) years
Cash Payment	:	\$16,500.00
Annual Rental	:	\$8,250.00
Royalties	:	19% on oil and gas 19% on other minerals

Additional Consideration: This lease is limited in depth from the surface of the earth to 100' below the base of the Siphonia Davisi Sand. Reservoir A. in the West Cameron Block 1 Field, that sand being previously defined as being that gas and condensate bearing sand encountered between the depths of 11,920 feet and 11,955 feet (electrical log measurement) in the Clayton Williams, Jr. Inc - State Lease 12848 No. 2 Well, located in Section 9, Township 15 South, Range 7 West, Cameron Parish, Louisiana, said sand being unitized and defined in Order 1358-C on March 20, 1990, and terminated on July 26, 2001

Tract 45801

(Portion: 515.000 acres)

Bidder	:	Mark A. O'Neal & Associates, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$119,480.00
Annual Rental	:	\$59,740.00
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 45803

(Portion: 318.000 acres)

Bidder	:	Mark A. O'Neal & Associates, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$73,776.00
Annual Rental	:	\$36,888.00
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 45805

(Portion: 49.350 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$10,906.35
Annual Rental	:	\$5,453.18
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 45808

(Entire: 12.870 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$48,262.50
Annual Rental	:	\$24,131.25
Royalties	:	27.2% on oil and gas
	:	27.2% on other minerals

Additional Consideration: Cypress Energy Partners, LLC is bidding on Tract 45808 as agent for Paloma Natural Gas, LLC ("Paloma"). Tract 45808 is included in the proposed HA RA SUV, which is a drilling and production unit for

the Haynesville Zone, Reservoir A, in Shreveport Field, Caddo Parish, Louisiana.

The HA RA SUV is a unit proposed by Paloma that comprises the South-Half of Section 8 and all of Sections 17 and 20, Township 17 North, Range 14 West. Paloma will be the operator of the HA RA SUV and has permitted a well to be drilled on the unit and has proposed five (5) additional horizontal wells to serve the unit with all wells to be operated by Paloma. As operator, Paloma will be spending tens of millions of dollars to drill and complete these wells which will result in production revenue to the Caddo Parish Commission.

Tract 45809
(Entire: 10.280 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$38,550.00
Annual Rental	:	\$19,275.00
Royalties	:	27.2% on oil and gas
	:	27.2% on other minerals

Additional Consideration: Cypress Energy Partners, LLC is bidding on Tract 45809 as agent for Paloma Natural Gas, LLC ("Paloma"). Tract 45809 is included in the proposed HA RA SUV, which is a drilling and production unit for the Haynesville Zone, Reservoir A, in Shreveport Field, Caddo Parish, Louisiana.

The HA RA SUV is a unit proposed by Paloma that comprises the South-Half of Section 8 and all of Sections 17 and 20, Township 17 North, Range 14 West. Paloma will be the operator of the HA RA SUV and has permitted a well to be drilled on the unit and has proposed five (5) additional horizontal wells to serve the unit with all wells to be operated by Paloma. As operator, Paloma will be spending tens of millions of dollars to drill and complete these wells which will result in production revenue to the Caddo Parish Commission.

Tract 45810(1)
(Entire: 473.0788 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$1,774,045.50
Annual Rental	:	\$887,022.75
Royalties	:	27.2% on oil and gas
	:	27.2% on other minerals

Additional Consideration: Cypress Energy Partners, LLC is bidding on Tract 45810 as agent for Paloma Natural Gas, LLC ("Paloma"). Tract 45810 is included in the proposed HA RA SUM, which is a drilling and production unit for the Haynesville Zone, Reservoir A, in Shreveport Field, Caddo Parish, Louisiana.

The HA RA SUM is a unit created by Paloma that comprises all of Sections 19 and 30, Township 17 North, Range 14 West. Paloma is the operator of the HA RA SUM and has permitted a well to be drilled on the unit and has proposed five (5) additional horizontal wells to serve the unit with all wells to be operated by Paloma. As operator, Paloma will be spending tens of millions of dollars to drill and complete these wells which will result in significant production revenue to the City of Shreveport. The City of Shreveport acreage comprises approximately thirty-seven (37%) percent of the unit due to the manner in which Paloma has formed the unit, which will entitle the City of Shreveport

to a significant portion of the production revenue from the unit. The unit well will be drilled on this unit in the near future if Paloma's bid is accepted.

Tract 45810(2)

(Entire: 473.0788 acres)

Bidder	:	Silver Hill Haynesville E&P, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$3,548,091.00
Annual Rental	:	\$1,774,045.50
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45811

(Entire: 627.340 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$2,352,525.00
Annual Rental	:	\$1,176,262.50
Royalties	:	27.2% on oil and gas
	:	27.2% on other minerals

Additional Consideration: Cypress Energy Partners, LLC is bidding on Tract 45811 as agent for Paloma Natural Gas, LLC ("Paloma"). Tract 45811 is included in the proposed HA RA SUV, which is a drilling and production unit for the Haynesville Zone, Reservoir A, in Shreveport Field, Caddo Parish, Louisiana.

The HA RA SUV is a unit proposed by Paloma that comprises the South-Half of Section 8 and all of Sections 17 and 20, Township 17 North, Range 14 West. Paloma will be the operator of the HA RA SUV and has permitted a well to be drilled on the unit and has proposed five (5) additional horizontal wells to serve the unit with all wells to be operated by Paloma. As operator, Paloma will be spending tens of millions of dollars to drill and complete these wells which will result in significant production revenue to the City of Shreveport. The City of Shreveport acreage comprises approximately thirty-nine (39%) percent of the unit due to the manner in which Paloma has formed the unit, which will entitle the City of Shreveport to a significant portion of the production revenue from the unit.

Tract 45812

(Entire: 293.496 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$1,027,236.00
Annual Rental	:	\$513,618.00
Royalties	:	26.2% on oil and gas
	:	26.2% on other minerals

Additional Consideration: Cypress Energy Partners, LLC is bidding on Tract 45812 as agent for Paloma Natural Gas, LLC ("Paloma"). Tract 45812 is included in the HA RA SUU, which is a drilling and production unit created by Paloma for the Haynesville Zone, Reservoir A, in Shreveport Field, Caddo Parish, Louisiana.

The HA RA SUU comprises the West-Half of Sections 28 and 33, Township 17 North, Range 14 West. Paloma is the operator of the HA RA SUU and has designated two (2) horizontal wells to serve the unit with both wells approved by the Office of Conservation. As operator, Paloma will be spending millions of dollars to drill and complete these wells which will result in significant production revenue to the City of Shreveport. The City of Shreveport acreage comprises approximately forty-six (46%) percent of the unit due to the manner in which Paloma has formed the unit, which will entitle the City of Shreveport to a significant portion of the production revenue from the unit.

Tract 45813
(Entire: 1.65 acres)

Bidder	:	Excelsior Exploration, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$4,125.00
Annual Rental	:	\$2,062.50
Royalties	:	22.5% on oil and gas
	:	22.5% 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 9:06 a.m.

Respectfully Submitted,


ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD

2

JEFF LANDRY
GOVERNOR



TYLER PATRICK GRAY
SECRETARY

ANDREW YOUNG
ASSISTANT SECRETARY

State of Louisiana

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

REGULAR MEETING JUNE 12, 2024

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, June 12, 2024**, beginning at 9:31 a.m. in the LaBelle Room of the LaSalle Building, 617 N. 3rd Street, First Floor, Baton Rouge, Louisiana.

I. ADMINISTERING OF THE OATHS OF OFFICE FOR NEWLY APPOINTED STATE MINERAL AND ENERGY BOARD MEMBERS

Ryan M. Seidemann, Chief of the Lands & Natural Resources Section in the Civil Division of the Office of Attorney General Liz Murrill, administered the Oath of Office to new board member, Richard A. Nelson, Governor Landry's Designee, at today's meeting.

II. CALL TO ORDER

Mr. Sidney W. Degan III, Chairman of the State Mineral and Energy Board, called the meeting to order.

III. ROLL CALL

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

Sidney W. Degan III, Chairman
J. Todd Hollenshead, Vice-Chairman
Mark Normand, DENR Undersecretary
Robert D. Watkins
Harvey "Ned" White
Magnus J. "Jake" Arceneaux IV
Matthew G. Moncla
Billy A. Busbice, Jr.
Charles W. "Wes" Shepherd Sr.
Richard A. Nelson, Governor Landry's Designee

The following members were recorded as absent:

Clifton Dale Sittig

The Chairman announced that a quorum was established.

IV. PLEDGE OF ALLEGIANCE

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

V. APPROVAL OF THE MAY 8, 2024 MINUTES

The Chairman stated that the next order of business was the approval of the May 8, 2024 Minutes.

A motion was made by Mr. Hollenshead to adopt the May 8, 2024 Minutes as submitted, and to waive reading said minutes in entirety. His motion was seconded by Mr. Arceneaux and unanimously adopted by the Board. No public comments were made at this time.

VI. A presentation on Carbon Capture, Utilization, and Storage was held by Professor Keith B. Hall, Director of LSU's John P. Laborde Energy Law Center and the Louisiana Mineral Law Institute

VII. STAFF REPORTS

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

- a) **Lease Review Report** – Presented by Jason Talbot, Petroleum Scientist Manager, Geology and Engineering Division
- b) **Nomination and Tract Report** – Presented by Greg Roberts, Energy Lands Director, Energy Lands Division
- c) **Audit Report** – Presented by Taletha Shorter, Audit Director, Mineral Income Division
- d) **Legal and Title Controversy Report** – Presented by Greg Roberts, Energy Lands Director, Energy Lands Division
- e) **Docket Review Report** – Presented by Greg Roberts, Energy Lands Director, Energy Lands Division

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

**a) LEASE REVIEW REPORT
JUNE 12, 2024**

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 964 active State Leases containing approximately 412,930 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 100 leases covering approximately 29,657 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
JUNE 12, 2024
(Resolution No. 24-06-001)

The Board heard the report of Mr. Greg Roberts on Wednesday, June 12, 2024, relative to nominations received in the Office of Mineral Resources for the August 14, 2024 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of Mr. Busbice, duly seconded by Mr. Watkins, 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. 24-06-001)**

c) AUDIT REPORT
JUNE 12, 2024
(Resolution No. 24-06-002)

The first item on the audit report was a payment plan request from New Century Exploration, Inc. for royalty and interest due in the amount of \$146,121.68.

Upon motion of Mr. Busbice, seconded by Mr. Moncla, the Board voted unanimously to accept the staff recommendation to allow New Century Exploration, Inc. to pay outstanding royalty and interest in monthly installments over a period of 12 months, with the first payment due to the state on June 25, 2024. **(Resolution No. 24-06-002)**

The second matter on the audit report was the election of the May 2024 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 CONTROVERSY REPORT
JUNE 12, 2024
(Resolution No. 24-06-003)

The State Mineral and Energy Board (Board) considered a request by staff for approval of a proposed resolution regarding the adoption of a new royalty reduction program.

Staff recommended that the Board approve the proposed resolution.

After lengthy discussion, and upon motion of Mr. Shepherd, seconded by Mr. Moncla, the State Mineral and Energy Board voted unanimously to approve the proposed resolution for the adoption of a new royalty reduction program. There were no comments from the public on this matter.
(Resolution No. 24-06-003)

e) DOCKET REVIEW REPORT
JUNE 12, 2024
(Resolution No(s). 24-006-004 through 24-06-009)

The Board heard the report from Greg Roberts on Wednesday, June 12, 2024, relative to the following:

- Category A: State Agency Lease
Docket Item No. 1
- Category B: State Lease Transfers
Docket Item Nos. 1 through 5
- Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category
- Category D: Advertised Proposals
There were no items for this category

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

- Category A: State Agency Lease
Docket Item No. 1
(Resolution No. 24-06-004)
- Category B: State Lease Transfers
Docket Item Nos. 1 through 5
(Resolution Nos. 24-06-005 through 24-06-009)

VIII. EXECUTIVE SESSION

(Resolution No(s). 24-06-010 through 24-06-013)

Mr. Young 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. Shepherd, seconded by Mr. Arceneaux, and a roll call of the Board Members, the Board went into Executive Session at 11:26 a.m.

Upon motion of Mr. Shepherd, seconded by Mr. Arceneaux, and a roll call of the Board Members, the Board reconvened in open session at 12:21 p.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion of the ongoing dispute in Hilcorp v. State, Docket No. 65759 between the State of Louisiana and the Timolat-Johnson Heirs in 17 MKR- 5 RA SU; Timolat-Johnson proposal

This matter was merely a discussion, and no action by the Board was required.

- b. A discussion of proposed terms for an Operating Agreement with Williams covering underground natural gas storage within the Washington Gas Storage Unit in St. Landry Parish, Louisiana

Upon motion of Mr. White, seconded by Mr. Shepherd, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to negotiate based upon the terms as discussed in Executive Session. There were no comments from the public on this matter. **(Resolution No. 24-06-010)**

- c. An update and discussion of the June 23, 2023 letter addressed to BPX (Petrohawk Energy), LLC ("BPX") alerting BPX to Resolution #23-02-003 and demanding that they produce escrowed funds associated with the various State leases listed within said letter

Upon motion of Mr. Watkins, seconded by Mr. Hollenshead, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to place all lessees of record on demand for payment as discussed in Executive Session. There were no comments from the public on this matter. **(Resolution No. 24-06-011)**

- d. A discussion of and request for authority to negotiate on the mineral production audit of Expert Oil & Gas LLC for audit period January 2011 through December 2015

Upon motion of Mr. White, seconded by Mr. Hollenshead, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to negotiate as discussed in Executive Session. The Board then alternatively made a replacement motion and second to this matter that was granted by the Board as follows:

Upon motion of Mr. White, seconded by Mr. Moncla, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to accept the offer of Expert Oil & Gas LLC as discussed in Executive Session. There were no comments from the public on this matter. **(Resolution No. 24-06-012)**

- e. A discussion of and request for authority to negotiate on Exception 6 of the mineral production audit of ChevronTexaco for audit period January 2003 through December 2018

Upon motion of Mr. Busbice, seconded by Mr. Shepherd, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to negotiate based upon the terms as discussed in Executive Session. There were no comments from the public on this matter. **(Resolution No. 24-06-013)**

- f. Technical Briefing on Bids

IX. AWARDING OF LEASES

Mr. Jason Talbot presented the Staff's recommendations to the Board:

Staff reported that there were seventeen (17) tracts up for bid at today's lease sale, fourteen (14) bids were received on eleven (11) tracts with three of the tracts receiving multiple bids.

Staff recommends accepting the bid of M&M Lands, Inc. on Tract 45797; accepting the bid of M& M Lands, Inc. on Tract 45799; and accepting the bid of Cypress Energy Partners, LLC on Tract 45810. Staff further recommended accepting the remaining eight (8) bids received on the remaining tracts at today's lease sale.

Upon motion of Mr. Shepherd, and seconded by Mr. White, the Board voted unanimously to accept Staff's recommendations regarding the following bids and award leases on the following tracts:

Tract 45797(1)

(Portion: 184.12 acres)

Bidder	:	M & M Lands, Inc.
Primary Term	:	Five (5) years
Cash Payment	:	\$113,786.16
Annual Rental	:	\$56,893.08
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 45799(1)

(Portion: 233 acres)

Bidder	:	M & M Lands, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$143,994.00
Annual Rental	:	\$71,997.00
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 45801

(Portion: 515.000 acres)

Bidder	:	Mark A. O'Neal & Associates, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$119,480.00
Annual Rental	:	\$59,740.00
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 45803

(Portion: 318.000 acres)

Bidder	:	Mark A. O'Neal & Associates, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$73,776.00
Annual Rental	:	\$36,888.00
Royalties	:	22% on oil and gas
	:	22% on other minerals
Additional Consideration	:	None

Tract 45805

(Portion: 49.350 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$10,906.35
Annual Rental	:	\$5,453.18
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 45808

(Entire: 12.870 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$48,262.50
Annual Rental	:	\$24,131.25
Royalties	:	27.2% on oil and gas
	:	27.2% on other minerals

Additional Consideration: Cypress Energy Partners, LLC is bidding on Tract 45808 as agent for Paloma Natural Gas, LLC ("Paloma"). Tract 45808 is included in the proposed HA RA SUV, which is a drilling and production unit for the Haynesville Zone, Reservoir A, in Shreveport Field, Caddo Parish, Louisiana.

The HA RA SUV is a unit proposed by Paloma that comprises the South-Half of Section 8 and all of Sections 17 and 20, Township 17 North, Range 14 West. Paloma will be the operator of the HA RA SUV and has permitted a well to be drilled on the unit and has proposed five (5) additional horizontal wells to serve the unit with all wells to be operated by Paloma. As operator, Paloma will be spending tens of millions of dollars to drill and complete these wells which will result in production revenue to the Caddo Parish Commission.

Tract 45809

(Entire: 10.280 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$38,550.00
Annual Rental	:	\$19,275.00
Royalties	:	27.2% on oil and gas
	:	27.2% on other minerals

Additional Consideration: Cypress Energy Partners, LLC is bidding on Tract 45809 as agent for Paloma Natural Gas, LLC ("Paloma"). Tract 45809 is included in the proposed HA RA SUV, which is a drilling and production unit for the Haynesville Zone, Reservoir A, in Shreveport Field, Caddo Parish, Louisiana.

The HA RA SUV is a unit proposed by Paloma that comprises the South-Half of Section 8 and all of Sections 17 and 20, Township 17 North, Range 14 West. Paloma will be the operator of the HA RA SUV and has permitted a well to be drilled on the unit and has proposed five (5) additional horizontal wells to serve the unit with all wells to be operated by Paloma. As operator, Paloma will be spending tens of millions of dollars to drill and complete these wells which will result in production revenue to the Caddo Parish Commission.

Tract 45810(1)

(Entire: 473.0788 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$1,774,045.50
Annual Rental	:	\$887,022.75
Royalties	:	27.2% on oil and gas
	:	27.2% on other minerals

Additional Consideration: Cypress Energy Partners, LLC is bidding on Tract 45810 as agent for Paloma Natural Gas, LLC ("Paloma"). Tract 45810 is included in the proposed HA RA SUM, which is a drilling and production unit for the Haynesville Zone, Reservoir A, in Shreveport Field, Caddo Parish, Louisiana.

The HA RA SUM is a unit created by Paloma that comprises all of Sections 19 and 30, Township 17 North, Range 14 West. Paloma is the operator of the HA RA SUM and has permitted a well to be drilled on the unit and has proposed five (5) additional horizontal wells to serve the unit with all wells to be operated by Paloma. As operator, Paloma will be spending tens of millions of dollars to drill and complete these wells which will result in significant production revenue to the City of Shreveport. The City of Shreveport acreage comprises approximately thirty-seven (37%) percent of the unit due to the manner in which Paloma has formed the unit, which will entitle the City of Shreveport to a significant portion of the production revenue from the unit. The unit well will be drilled on this unit in the near future if Paloma's bid is accepted.

Tract 45811

(Entire: 627.340 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$2,352,525.00
Annual Rental	:	\$1,176,262.50
Royalties	:	27.2% on oil and gas
	:	27.2% on other minerals

Additional Consideration: Cypress Energy Partners, LLC is bidding on Tract 45811 as agent for Paloma Natural Gas, LLC ("Paloma"). Tract 45811 is included in the proposed HA RA SUV, which is a drilling and production unit for the Haynesville Zone, Reservoir A, in Shreveport Field, Caddo Parish, Louisiana.

The HA RA SUV is a unit proposed by Paloma that comprises the South-Half of Section 8 and all of Sections 17 and 20, Township 17 North, Range 14 West. Paloma will be the operator of the HA RA SUV and has permitted a well to be drilled on the unit and has proposed five (5) additional horizontal wells to serve the unit with all wells to be operated by Paloma. As operator, Paloma will be spending tens of millions of dollars to drill and complete these wells which

will result in significant production revenue to the City of Shreveport. The City of Shreveport acreage comprises approximately thirty-nine (39%) percent of the unit due to the manner in which Paloma has formed the unit, which will entitle the City of Shreveport to a significant portion of the production revenue from the unit.

Tract 45812
(Entire: 293.496 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$1,027,236.00
Annual Rental	:	\$513,618.00
Royalties	:	26.2% on oil and gas
	:	26.2% on other minerals

Additional Consideration: Cypress Energy Partners, LLC is bidding on Tract 45812 as agent for Paloma Natural Gas, LLC ("Paloma"). Tract 45812 is included in the HA RA SUU, which is a drilling and production unit created by Paloma for the Haynesville Zone, Reservoir A, in Shreveport Field, Caddo Parish, Louisiana.

The HA RA SUU comprises the West-Half of Sections 28 and 33, Township 17 North, Range 14 West. Paloma is the operator of the HA RA SUU and has designated two (2) horizontal wells to serve the unit with both wells approved by the Office of Conservation. As operator, Paloma will be spending millions of dollars to drill and complete these wells which will result in significant production revenue to the City of Shreveport. The City of Shreveport acreage comprises approximately forty-six (46%) percent of the unit due to the manner in which Paloma has formed the unit, which will entitle the City of Shreveport to a significant portion of the production revenue from the unit.

Tract 45813
(Entire: 1.65 acres)

Bidder	:	Excelsior Exploration, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$4,125.00
Annual Rental	:	\$2,062.50
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

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.

X. NEW BUSINESS

There was no new business.

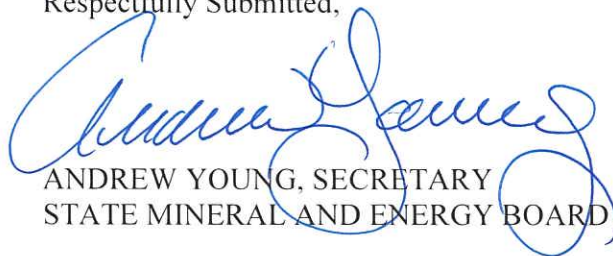
XI. ANNOUNCEMENTS

Mr. Andrew Young, Assistant Secretary of the Office of Mineral Resources and Secretary to the State Mineral and Energy Board, stated that the leases awarded totaled \$5,706,686.51 for the June 12, 2024 Lease Sale bringing the fiscal year-to-date total to \$14,008,128.49.

XII. ADJOURNMENT

The Chairman then stated that there being no further business to come before the Board, upon motion of Mr. White, seconded by Mr. Shepherd, the meeting was adjourned at 12:29 p.m.

Respectfully Submitted,



ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Authority to Advertise
Tracts for the August
14, 2024 Lease Sale

RESOLUTION #24-06-001

(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Greg Roberts reported that eleven (11) tracts were nominated for the August 14, 2024 Mineral Lease Sale, and requested that same be advertised pending staff review;

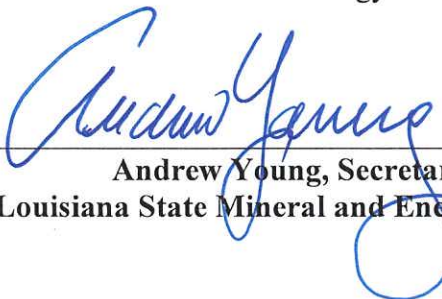
ON MOTION of **Mr. Busbice**, seconded by **Mr. Watkins**, the following recommendation was offered and unanimously adopted by the Board after discussion and careful consideration:

That the State Mineral and Energy Board grant approval to advertise all such tract(s) for the August 14, 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 12th day of June, 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.



Andrew Young, Secretary
Louisiana State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

New Century Exploration, Inc.
Payment Plan SL No. 20261

RESOLUTION # 24-06-002 (AUDIT REPORT)

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

WHEREAS, an audit performed of New Century Exploration, Inc.'s payment of state royalty for State Lease 20261, in Gillis-English Bayou Field, which audit revealed that New Century Exploration, Inc. owed the state \$146,121.68 which includes \$83,029.98 in royalty, \$56,395.52 in interest on the audit, and \$6,696.18 for the payment plan fee; and

WHEREAS, the audit of New Century Exploration, Inc. was the first such audit and first payment plan of the company by the Office of Mineral Resources and New Century Exploration, Inc. has made a good faith effort to respond to the audit issues and has cooperated fully during the course of and after the audit; and

WHEREAS, New Century Exploration, Inc., in an effort to resolve the audit issues, has requested that the Board allow New Century Exploration, Inc. to pay the audit royalty and interest charges, and payment plan fee, in twelve (12) monthly installments of \$12,176.81 beginning June 25, 2024; and

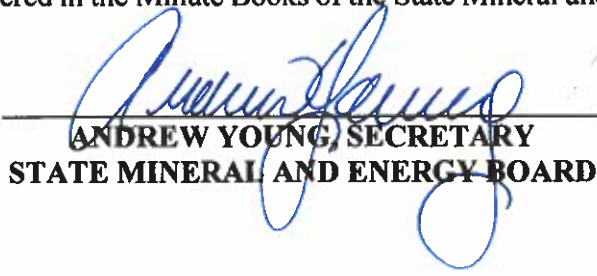
WHEREAS, upon review of the circumstances surrounding the audit and the conduct of New Century Exploration, Inc. and upon the recommendation of staff, the Board finds that New Century Exploration, Inc. has cooperated fully and has acted diligently to resolve the audit issues, and further finds the payment plan proposal by New Century Exploration, Inc. to be fair and reasonable to both parties; and

THEREFORE BE IT RESOLVED, that the Board does accept the audit payment plan proposed by New Century, Inc.; and

BE IT FURTHER RESOLVED, that the Board does agree to allow New Century Exploration, Inc. to pay the audit in twelve (12) monthly installments of \$12,176.81 beginning June 25, 2024.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of June, 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.


ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #24-06-003

Royalty Reduction
Program

(LEGAL & TITLE CONTROVERSY)

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

WHEREAS, pursuant to La. R.S. 30:129, the State Mineral and Energy Board ("**Board**") has full supervision of all State mineral leases and is authorized to take all appropriate action to assure that undeveloped or nonproducing State lands and water bottoms are reasonably and prudently explored, developed, and produced for the public good; and

WHEREAS, the Board offers the following proposed temporary royalty reduction program ("**RRP**") as incentive to encourage exploration and production of the State's minerals;

NOW THEREFORE, BE IT RESOLVED, the Board authorizes the staff of the Office of Mineral Resources ("**OMR**") to develop and enact the RRP in accordance with the following terms:

1. The RRP shall apply to all State mineral leases issued during the period beginning on January 1, 2024 and ending on December 31, 2024. This time period shall hereinafter be referred to as the ("**Program Term**").
2. Upon verification and approval as required herein, OMR shall temporarily reduce the royalty rate of a qualifying State lease by an amount up to 5.5%, but in no case shall the royalty of the State lease be lower than 18.5%, on any State lease that is acquired during the Program Term. Royalty reduction shall not be granted unless sales of production from the leased premises or lands pooled or unitized therewith are commenced within the first thirty-six (36) months from the Effective Date of the subject inland State lease and the first sixty (60) months from the Effective Date of the subject offshore State lease.
3. The reduced royalty shall be for a term not to exceed the first thirty-six (36) consecutive months from the first sales of production from the leased premises or lands pooled or unitized therewith ("**Royalty Reduction Term**"). During the Royalty Reduction Term, the reduced royalty shall apply to all production obtained from the leased premises or lands pooled or unitized therewith, regardless of when said production is established from the initial well or subsequent well(s). There will be only one Royalty Reduction Term per State lease; a new or different term will not begin for subsequent production on the same lease, regardless of whether subsequent production is from one or more new well(s).

4. Royalty reduction granted pursuant to the RRP shall survive the expiration of the Program Term and shall remain in full force and effect for the extent of the Royalty Reduction Term. Upon expiration of the Royalty Reduction Term, royalty due on the subject State lease shall revert to the terms of the lease instrument.

BE IT FURTHER RESOLVED, OMR shall develop and implement an application process for the RRP which shall comply with the following minimum requirements:

1. A lessee seeking approval for the RRP must submit a written request to the Office of Mineral Resources at 617 N. 3rd Street, LaSalle Building, 8th Floor, Baton Rouge, Louisiana 70802 or Post Office Box 2827, Baton Rouge, Louisiana 70821-2827. The request shall be considered received by OMR (i) upon receipt if delivered personally; or (ii) if properly addressed, upon deposit in the U.S. mail, registered or certified, postage prepaid, return receipt requested; or (iii) if properly addressed, upon deposit with a recognized commercial courier service; and
2. The lessee shall not qualify for the RRP unless the lessee's request is received by OMR on or before the ninetieth (90th) day following the date of commencement of production from the leased premises or lands pooled or unitized therewith. There will be no qualifications, retroactive adjustments or credits for untimely requests unless expressly approved by the Board; and
3. OMR staff will review the request and implement the reduced royalty if the lessee's application demonstrates satisfaction of the requirements of the RRP as stated herein.

BE IT FURTHER RESOLVED, a lessee shall only qualify for royalty reduction pursuant to the RRP if, and for so long as, the lessee satisfies all leasehold payment obligations in a timely manner. If a lessee commits a breach of one or more leasehold payment obligation(s), OMR shall provide lessee written notice of the nonpayment. The lessee shall satisfy all outstanding leasehold payment obligations on or before the fifteenth (15th) day following receipt of aforesaid notice. The Board, at its sole discretion and without notice to the lessee, may terminate royalty reduction pursuant to the RRP for any lessee who fails to comply with the provisions herein.

BE IT FURTHER RESOLVED, in the event of a bona fide dispute or litigation involving the State's ownership or title to any portion of a State lease subject to the RRP, lessee agrees to promptly notify OMR, in writing, and provide any information and/or documentation in lessee's possession or to which lessee has access regarding such dispute, including the identity of the adverse claimant(s) and the nature of the dispute. The lessee shall initiate a concursus proceeding and deposit any and all payments attributable to the disputed acreage into the court registry. In no event shall the lessee suspend payments in the event of a bona fide dispute or litigation.

BE IT FURTHER RESOLVED, the Board does hereby grant OMR the sole authority to monitor and enforce the provisions herein. Said authority includes, but is not limited to, the authority to approve or deny requests for reduced royalty pursuant to the RRP, terminate RRP benefits, and/or resolve disputes concerning the RRP's terms, conditions, or applications. Notwithstanding, a lessee whose application has been denied by OMR shall have the right to bring OMR's refusal to the Board for their review and reconsideration.

BE IT FURTHER RESOLVED, the Board hereby grants authority to OMR's Assistant Secretary to act on behalf of the Board to approve retroactive adjustments or credits for untimely requests.

BE IT FURTHER RESOLVED, the reduced royalty rates approved by OMR shall apply to all royalty payments due during the Royalty Reduction Term.

CERTIFICATE

I hereby certify, that the above is a true and correct copy of a Resolution which was adopted at a meeting of the State Mineral and Energy Board in the City of Baton Rouge, Louisiana, on the 12th day of June, 2024, pursuant to due notice, that at said 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.



ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-06-004

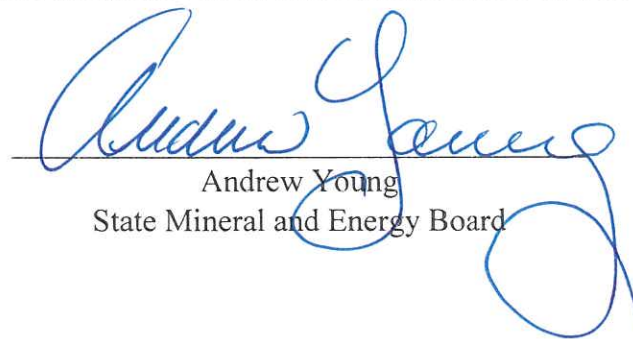
(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item A from the June 12, 2024 meeting be approved, said instrument being an Oil, Gas and Mineral Lease from the Plaquemines Parish Government ("PPG"), dated April 15, 2024, awarded to Hilcorp Energy I, L.P., covering lands located in Section 17, T21S-R27E, containing approximately 36 acres, more or less, **it being the intent to include all unleased acreage owned by PPG that lies within the geographical confines of the R RA SU I as identified in Conservation Order No. 149-FF**, with further contractual obligations being more enumerated 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 12th day of June, 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.



Andrew Young
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-06-005 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 1 from the June 12, 2024 meeting be approved, said being an Assignment from BPX Operating Company to Paloma Natural Gas, LLC, of all of Assignor's right, title and interest in and to State Lease No. 19542, Webster Parish, Louisiana, with further particulars being stipulated in the instrument.

Paloma Natural Gas, 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;

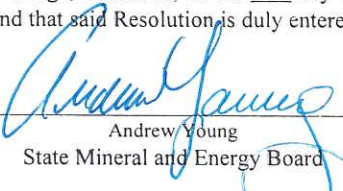
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 12th day of June, 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.



Andrew Young
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-06-006 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 2 from the June 12, 2024 meeting be approved, said being an Assignment from Paloma Natural Gas, LLC to USG Properties Haynesville, LLC, of all of Assignor's right, title and interest in and to State Lease No. 22098, Caddo Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** said lease covers land situated within the geographical confines of the HA RA SUZZ, with further particulars being stipulated in the instrument.

USG Properties Haynesville, 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;

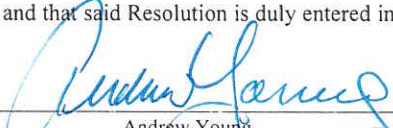
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 12th day of June, 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.



Andrew Young
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-06-007 (DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 3 from the June 12, 2024 meeting be approved, said being an Assignment from CSL Exploration, LP to the following in the proportions set out below:

Castex Energy 2021, LLC	50%
Tri-Star Louisiana LLC	50%

in and to State Lease Nos. 21608, 21614, 21615, 21616, 21676, 21677 and Operating Agreements AO321, AO331 and AO383, Jefferson and Terrebonne Parishes, 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;

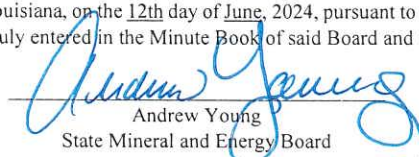
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 12th day of June, 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.


Andrew Young
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-06-008

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 4 from the June 12, 2024 meeting be approved, said an Assignment from CSL CM II, LP to the following in the proportions set out below:

Castex Energy 2021, LLC	50%
Tri-Star Louisiana LLC	50%

in and to State Lease Nos. 21608, 21615, 21616, 21676, 21677 and Operating Agreement AO383, 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.

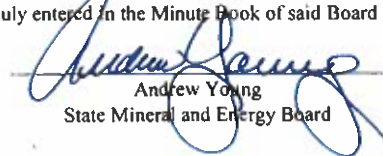
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 12th day of June, 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.


Andrew Young
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #24-06-009

(DOCKET)

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

BE IT RESOLVED by the State Mineral and Energy Board that Docket Item No. 5 from the June 12, 2024 meeting be approved, said an Assignment from CSL CM III, LP to the following in the proportions set out below:

Castex Energy 2021, LLC	50%
Tri-Star Louisiana LLC	50%

in and to Operating Agreement AO391, 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;

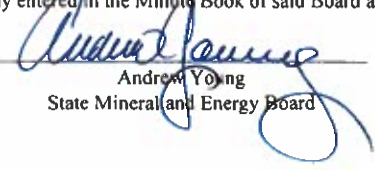
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 12th day of June, 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.


Andrew Young
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: Discussion of proposed terms
for an Operating Agreement with
Williams covering underground
natural gas storage within the
Washington Gas Storage Unit in
St. Landry Parish, Louisiana

RESOLUTION #24-06-010

(EXECUTIVE SESSION)

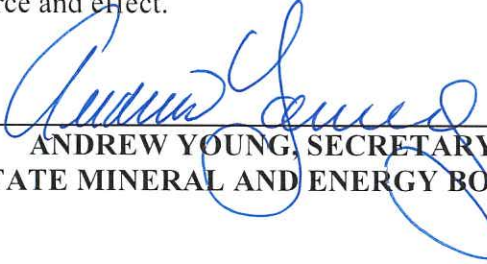
WHEREAS, a discussion of proposed terms for an Operating Agreement with Williams covering underground natural gas storage within the Washington Gas Storage Unit in St. Landry Parish, Louisiana was held in Executive Session; and

ON MOTION of Mr. White, seconded by Mr. Shepherd, 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 Staff and the Attorney General's office to negotiate based upon the terms as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of June, 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.



ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: An update and discussion of
the June 23, 2023 letter addressed
to BPX (Petrohawk Energy), LLC
("BPX") regarding Resolution #23-
02-003 and the production of
escrowed funds

RESOLUTION #24-06-011

(EXECUTIVE SESSION)

WHEREAS, an update and discussion of the June 23, 2023 letter addressed to BPX (Petrohawk Energy), LLC ("BPX") alerting BPX to Resolution #23-02-003 and demanding that they produce escrowed funds associated with the various State leases listed within said letter was held in Executive Session; and

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to Staff and the Attorney General's office to place all lessees of record on demand for payment as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of June, 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.



ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: A discussion of and request
for authority to negotiate on the
mineral production audit of Expert
Oil & Gas LLC for audit period
January 2011 through December
2015

RESOLUTION #24-06-012

(EXECUTIVE SESSION)

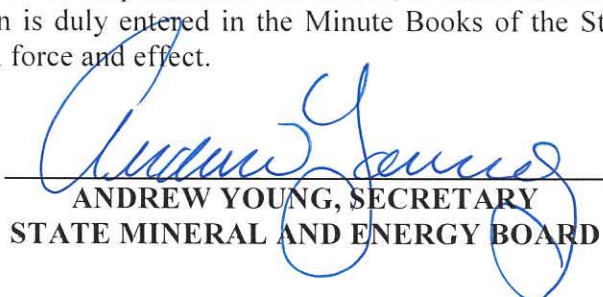
WHEREAS, a discussion of and request for authority to negotiate on the mineral production audit of Expert Oil & Gas LLC for audit period January 2011 through December 2015 was held in Executive Session; and

ON MOTION of Mr. White, seconded by Mr. Moncla, 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 Staff and the Attorney General's office to accept the offer of Expert Oil & Gas LLC as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of June, 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.



ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #24-06-013

(EXECUTIVE SESSION)

Executive Session Discussion
Re: A discussion of and request
for authority to negotiate on
Exception 6 of the mineral
production audit of
ChevronTexaco for audit period
January 2003 through December
2018

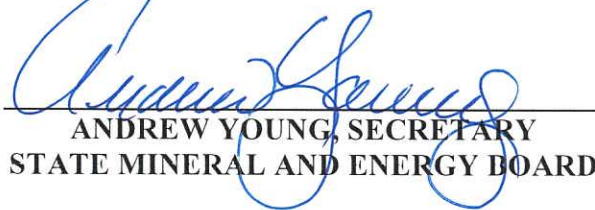
WHEREAS, a discussion of and request for authority to negotiate on Exception 6 of the mineral production audit of ChevronTexaco for audit period January 2003 through December 2018 was held in Executive Session; and

ON MOTION of Mr. Busbice, seconded by Mr. Shepherd, 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 Staff and the Attorney General's office to negotiate based upon the terms as discussed in Executive Session.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of June, 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.



ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD