

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE
AND
BOARD MEETING

AUGUST 14, 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
--

August 14, 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. **45829** through **45835** and Tracts Nos **45837** through **45839** 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 August 14, 2024

A public meeting for the purpose of opening sealed bids was held on Wednesday, August 14, 2024, beginning at 8:30 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 Tract Nos. 45829 through 45835 and Tracts Nos 45837 through 45839 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 Patterson stated that no tracts were withdrawn from today's lease sale.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 45829

(Entire: 64.210 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$134,841.00
Annual Rental	:	\$67,420.50
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 45830
(Portion: 9.000 acres)

Bidder	:	Magna Operating, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$2,259.00
Annual Rental	:	\$1,129.50
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45831
(Portion: 92.000 acres)

Bidder	:	Mark O'Neal & Associates, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$27,232.00
Annual Rental	:	\$13,616.00
Royalties	:	24% on oil and gas
	:	24% on other minerals
Additional Consideration	:	None

Tract 45837
(Entire: 196.034 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$617,507.10
Annual Rental	:	\$308,753.55
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45838(1)
(Entire: 12.6 acres)

Bidder	:	Chesapeake Louisiana, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$47,250.00
Annual Rental	:	\$23,625.00
Royalties	:	27.5% on oil and gas
	:	27.5% on other minerals
Additional Consideration	:	None

Tract 45838(2)
(Entire: 12.600 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$50,400.00
Annual Rental	:	\$25,200.00
Royalties	:	26.2% on oil and gas
	:	26.2% on other minerals

Additional Consideration: Cypress Energy Partners, LLC is bidding on Tract 45838 as agent for Paloma Natural Gas, LLC ("Paloma"). Tract 45838 is included in the HA RA SUAA, which is a drilling and production unit operated by Paloma for the Haynesville Zone, Reservoir A, in Cedar Grove Field, Caddo Parish, Louisiana. The HA RA SUAA comprises Sections 4 & 9 Township 16 North, Range 14 West. Paloma is the operator of the HA RA SUAA and has designated additional horizontal wells to serve the unit. 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 School Board.

Tract 45839(1)
(Entire: 10.372 acres)

Bidder	:	Chesapeake Louisiana, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$59,639.00
Annual Rental	:	\$29,819.50
Royalties	:	27.5% on oil and gas
	:	27.5% on other minerals
Additional Consideration	:	None

Tract 45839(2)
(Entire: 10.3719 acres)

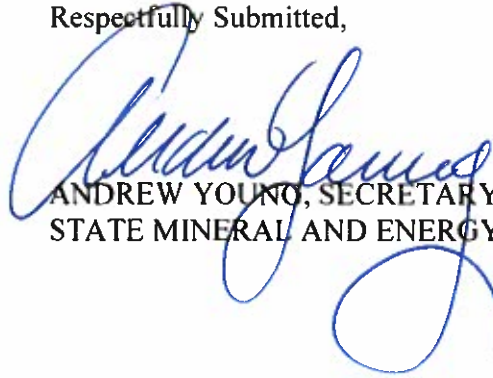
Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$54,452.48
Annual Rental	:	\$27,226.24
Royalties	:	26.2% on oil and gas
	:	26.2% on other minerals

Additional Consideration: Cypress Energy Partners, LLC is bidding on Tract 45839 as agent for Paloma Natural Gas, LLC ("Paloma"). Tract 45839 is included in the HA RA SUAA, which is a drilling and production unit operated by Paloma for the Haynesville Zone, Reservoir A, in Cedar Grove Field, Caddo Parish, Louisiana. The HA RA SUAA comprises Sections 4 & 9 Township 16 North, Range 14 West. Paloma is the operator of the HA RA SUAA and has designated additional horizontal wells to serve the unit. 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-Bossier Parishes Port Commission.

This concluded the reading of the bids.

There being no further business, the Opening of the Bids Meeting was concluded at 8:45 a.m.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Andrew Young", is written over the printed name and title.

ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD

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 AUGUST 14, 2024

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, August 14, 2024**, beginning at 9:35 a.m. in the LaBelle Room of the LaSalle Building, 617 N. 3rd Street, First Floor, Baton Rouge, Louisiana.

I. CALL TO ORDER

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

II. 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
Tyler P. Gray, DENR Secretary
Richard A. Nelson, Governor Landry's Designee
Robert D. Watkins
Magnus J. "Jake" Arceneaux IV
Matthew G. Moncla
Charles W. "Wes" Shepherd Sr.

The following members were recorded as absent:

Clifton Dale Sittig
Harvey "Ned" White
Billy A. Busbice, Jr.

The Chairman 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.

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Phone: (225) 342-4615 ✦ Fax: (225) 342-4527 ✦ omr@la.gov ✦ www.dnr.state.la.us

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IV. APPROVAL OF THE JULY 10, 2024 MINUTES

The Chairman stated that the next order of business was the approval of the July 10, 2024 Minutes.

A motion was made by Mr. Watkins to adopt the July 10, 2024 Minutes as submitted, and to waive reading said minutes in entirety. His motion was seconded by Mr. Shepherd and unanimously adopted by the Board. No public comments were made at this time.

V. 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
AUGUST 14, 2024**

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 968 active State Leases containing approximately 409,017 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 70 leases covering approximately 24,649 acres for lease maintenance and development.

II. BOARD REVIEW

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

III. FORCE MAJEURE

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

b) NOMINATION AND TRACT REPORT
AUGUST 14, 2024
(Resolution No. 24-08-001)

The Board heard the report of Mr. Greg Roberts on Wednesday, August 14, 2024, relative to nominations received in the Office of Mineral Resources for the October 9, 2024 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of Mr. Shepherd, duly seconded by Mr. Arceneaux, 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. 24-08-001)**

**c) AUDIT REPORT
AUGUST 14, 2024
(Resolution Nos. 24-08-002 and 24-08-003)**

The first matter on the audit report was a recoupment request from Brammer Engineering for an overpayment in the amount of \$51,004.25.

Upon recommendation of Staff and upon motion of Mr. Hollenshead, seconded by Mr. Watkins, the Board voted unanimously to approve the recoupment request of Brammer Engineering for an overpayment in the amount of \$51,004.25. **(Resolution No. 24-08-002)**

The second matter on the audit report was the election of the August 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.

Upon motion of Mr. Shepherd, seconded by Mr. Watkins, the Board voted unanimously to acknowledge and approve the election of the August 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. **(Resolution No. 24-08-003)**

d) LEGAL & TITLE CONTROVERSY REPORT
AUGUST 14, 2024
(Resolution No. 24-08-004)

The State Mineral and Energy Board (Board) considered a request by Highlander Oil & Gas Assets LLC to temporarily remove state owned land from commerce while the State Mineral and Energy Board considers an Operating Agreement on land located in the Bayou Long Field, St. Martin Parish, Louisiana.

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

After lengthy discussion, and upon motion of Mr. Arceneaux, seconded by Mr. Moncla, the Board voted unanimously to grant the staff authority to negotiate with Highlander Oil & Gas Assets LLC for an Operating Agreement and to temporarily remove state owned land from commerce located within the Bayou Long Field, St. Martin Parish, Louisiana. There were no comments from the public on this matter. **(Resolution No. 24-08-004)**

**e) DOCKET REVIEW REPORT
AUGUST 14, 2024
(Resolution No. 24-08-005)**

The Board heard the report of Greg Roberts on Wednesday, August 14, 2024, relative to the approval of the following Docket items:

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

Based on Staff's recommendations, on upon motion of Mr. Hollenshead, duly seconded by Mr. Shepherd, the Board voted unanimously to approve the following Docket items:

- Category B: State Lease Transfers
Docket Item No. 1
(Resolution No. 24-08-005)

- VI. A presentation by Secretary Tyler Gray providing updates on reorganization of the Department of Energy and Natural Resources and the Natural Resources Trust Authority

Upon motion of Mr. Arceneaux, seconded by Mr. Shepherd, and by unanimous vote of the Board, the State Mineral and Energy Board offered its support of the reorganization of the Department of Energy and Natural Resources and the Natural Resources Trust Authority in the creation of rules and regulations. There were no comments from the public on this matter. **(Resolution No. 24-08-006)**

VII. EXECUTIVE SESSION

The Chairman stated that the next order of business was discussions in Executive Session to consider matters before the Board which were confidential in nature.

Upon motion of Mr. Shepherd, seconded by Mr. Hollenshead, and a roll call of the Board Members, the Board went into Executive Session at 10:05 a.m.

Upon motion of Mr. Shepherd, seconded by Mr. Watkins, and a roll call of the Board Members, the Board reconvened in open session at 11:26 a.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion and request for authority to submit a counteroffer for settlement of the suit entitled: BHP v. E.T. Robinson, Docket No. 36074, 39th Judicial District Court, Red River Parish, State of Louisiana

Upon motion of Mr. Shepherd, seconded by Mr. Watkins, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to submit a counteroffer for settlement based upon the terms as discussed in Executive Session. There were no comments from the public on this matter. **(Resolution No. 24-08-007)**

- b. A discussion and request for authority to submit a counteroffer for settlement of the suit entitled: BHP v. E.T. Robinson, Docket No. 36018, 39th Judicial District Court, Red River Parish, State of Louisiana

Upon motion of Mr. Arceneaux, 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 submit a counteroffer for settlement based upon the terms as discussed in Executive Session. There were no comments from the public on this matter. **(Resolution No. 24-08-008)**

- c. A discussion of the bankruptcy cases entitled: In re Whitney Oil & Gas, LLC, Case No. 23-11873, and In re Trimont Energy (NOW), LLC, Case No. 23-11868, U.S. Bankruptcy Court, Eastern District of Louisiana

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

- d. 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. Shepherd, 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 terms offered by Williams as discussed in Executive Session. There were no comments from the public on this matter. **(Resolution No. 24-08-009)**

- e. Technical Briefing on Bids

On request of Staff, and upon motion of Mr. Hollenshead, seconded by Mr. Shepherd, and by unanimous vote of the Board, the State Mineral and Energy Board changed the order of the following two items by addressing IX. Awarding of Leases before VIII. A presentation by Diligence Offshore Services.

VIII. A presentation by Diligence Offshore Services regarding a proposed wind energy production development in Sabine Lake, Cameron Parish, Louisiana

This item was a presentation, and no action by the Board was required.

IX. AWARDING OF LEASES

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

Staff reported that six (6) of the ten (10) tracts up for bid at today's lease sale received bids with two (2) of the tracts, Tracts 45838 and 45839, having competitive bidding.

Staff recommends accepting the bid of Chesapeake Louisiana, LLC on Tract 45838 and the bid of Chesapeake Louisiana, LLC on Tract 45839. All other bids received on the remaining tracts were also recommended for approval at today's lease sale.

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

Tract 45829

(Entire: 64.210 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$134,841.00
Annual Rental	:	\$67,420.50
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 45830

(Portion: 9.000 acres)

Bidder	:	Magna Operating, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$2,259.00
Annual Rental	:	\$1,129.50
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45831

(Portion: 92.000 acres)

Bidder	:	Mark O'Neal & Associates, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$27,232.00
Annual Rental	:	\$13,616.00
Royalties	:	24% on oil and gas
	:	24% on other minerals
Additional Consideration	:	None

Tract 45837
(Entire: 196.034 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$617,507.10
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Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45838(1)
(Entire: 12.6 acres)

Bidder	:	Chesapeake Louisiana, L.P.
Primary Term	:	Three (3) years
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	:	27.5% on other minerals
Additional Consideration	:	None

Tract 45839(1)
(Entire: 10.372 acres)

Bidder	:	Chesapeake Louisiana, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$59,639.00
Annual Rental	:	\$29,819.50
Royalties	:	27.5% on oil and gas
	:	27.5% 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

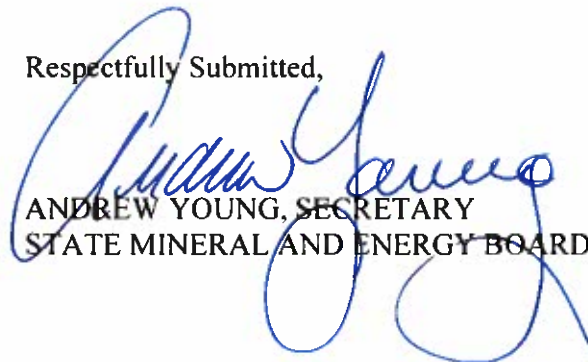
Mr. Andrew Young, Assistant Secretary of the Office of Mineral Resources and Secretary to the State Mineral and Energy Board, stated that the leases awarded totaled \$888,728.10 for the August 14, 2024 Lease Sale bringing the fiscal year-to-date total to \$2,487,396.52.

Mr. Young announced, and the Board welcomed, two (2) new employees of the Office of Mineral Resources, Jessica Do and Elizabeth Ferrier. Jessica Do will serve the Executive Division as a Business Analytics Specialist, and Elizabeth Ferrier will serve the Executive Division as a Staff Attorney.

XII. ADJOURNMENT

The Chairman then stated that there being no further business to come before the Board, upon motion of Mr. Watkins, seconded by Mr. Shepherd, the meeting was adjourned at 12:04 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 October 9,
2024 Lease Sale

RESOLUTION #24-08-001

(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Greg Roberts reported that seven (7) tracts were nominated for the October 9, 2024 Mineral Lease Sale, and requested that same be advertised pending staff review;

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

That the State Mineral and Energy Board grant approval to advertise all such tract(s) for the October 9, 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 14th day of August, 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

Re: Recoupment Request
of Brammer Engineering

RESOLUTION # 24-08-002 (AUDIT REPORT)

WHEREAS, a recoupment request was made by Brammer Engineering for an overpayment in the amount of \$51,004.25; and

WHEREAS, this amount was based on Brammer Engineering submitting gas royalty payments based on an incorrect property decimal; and

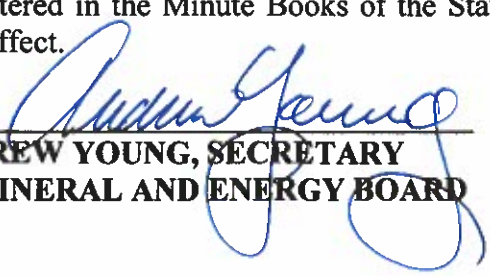
WHEREAS, the State Mineral and Energy Board after reviewing the work of the Mineral Income Division, agrees that the applicant is entitled to a credit adjustment and, does recommend that the State allow Brammer Engineering to recoup the \$51,004.25 overpayment.

ON MOTION of Mr. Hollenshead, seconded by Mr. Watkins, after discussion and careful consideration, the following Resolution was offered and adopted by the Board:

BE IT FURTHER RESOLVED, that the Board does authorize and direct the Mineral Income Director to effectuate the credit adjustment of \$51,004.25 to Brammer Engineering on a one-time or lump sum basis or on such terms deemed necessary by the Director, which are legally permissible, and without prejudice to any other rights of the state.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of August, 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

Re: State Texaco
Global Settlement
Agreement

RESOLUTION #24-08-003

(AUDIT REPORT)

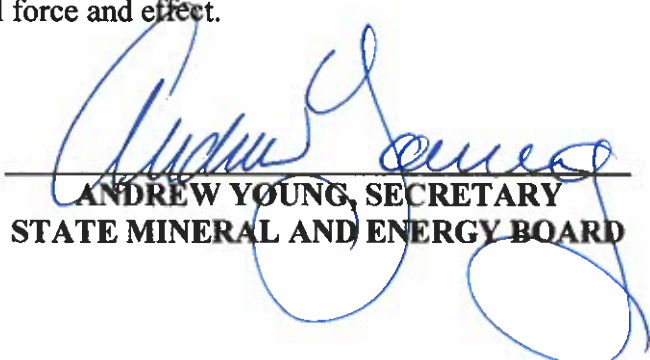
WHEREAS, Staff reported to the Board that the election of the August 2024 gas royalty is to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement; and

ON MOTION of Mr. Shepherd, 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 acknowledged and approved that the election of the August 2024 gas royalty is 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.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of August, 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 #24-08-004

(LEGAL & TITLE CONTROVERSY REPORT)

Highlander Oil & Gas Assets
LLC request to temporarily
remove state owned land from
commerce while SMEB considers
Operating Agreement on land
located within Bayou Long Field,
St. Martin Parish, LA.

WHEREAS, the State Mineral and Energy Board received a request from Highlander Oil & Gas Assets LLC to temporarily remove state owned land from commerce while the State Mineral and Energy Board (Board) considers an Operating Agreement on land located within the Bayou Long Field, St. Martin Parish, Louisiana; and

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

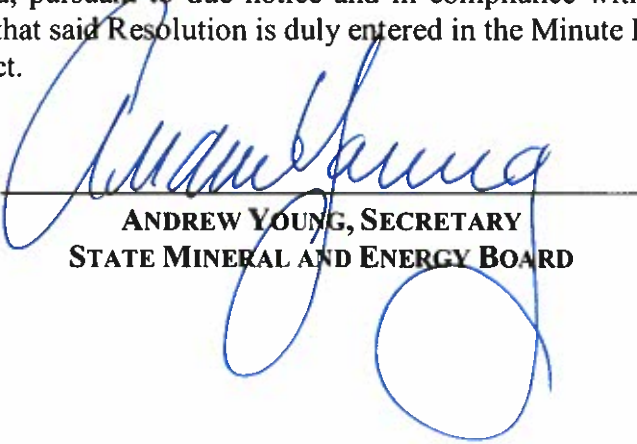
That the Board grant the Staff authority to negotiate for an Operating Agreement and to temporarily remove the subject land from commerce.

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

NOW THEREFORE, BE IT RESOLVED that the Board hereby accepts Staff's recommendation to grant the Staff authority to negotiate for an Operating Agreement with Highlander Oil & Gas Assets LLC and to temporarily remove state owned land located within the Bayou Long Field, St. Martin Parish, Louisiana.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of August, 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.



ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION NO. 24-08-005

[DOCKET]

WHEREAS, approval of Docket Item No. 1 from the August 14, 2024 Meeting being an Assignment and Correction of Assignment was presented to the State Mineral Board; and

ON MOTION of Mr. Hollenshead, 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 approval of Docket Item No. 1, said instrument being more specifically described as follows:

An Assignment and Correction of Assignment from DW Wapiti Investments I, LLC and Wapiti Operating, LLC to MMLC Beans & Rice LLC, of all of Assignor's right, title and interest in and to **State Lease Nos. 17376, 17378 and 21764**, Plaquemines Parish, Louisiana, with further particulars being stipulated in the instrument.

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

NOW THEREFORE, BE IT FURTHER RESOLVED that said 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

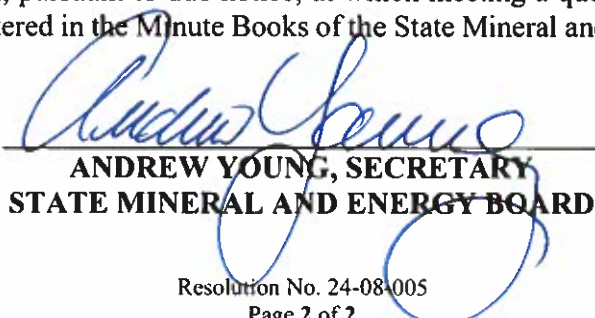
such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible 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 on the 14th day of August, 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 #24-08-006

(REGULAR MEETING)

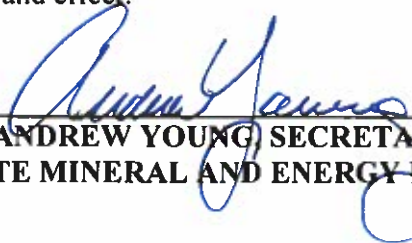
WHEREAS, a presentation by Secretary Tyler Gray providing updates on reorganization of the Department of Energy and Natural Resources and the Natural Resources Trust Authority was held; and

ON MOTION of Mr. Arceneaux, 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 offer its support of the reorganization of the Department of Energy and Natural Resources and the Natural Resources Trust Authority in the creation of rules and regulations.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of August, 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 #24-08-007

(EXECUTIVE SESSION)

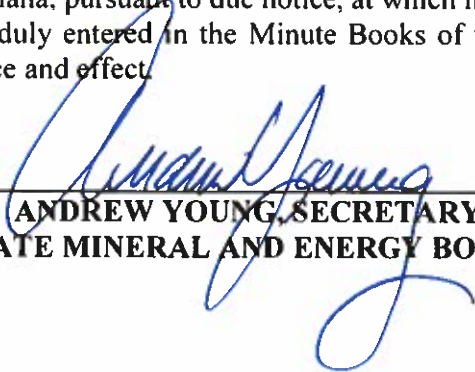
WHEREAS, a discussion of and request for authority to submit a counteroffer for settlement of the suit entitled: BHP v. E.T. Robinson, Docket No. 36074, 39th Judicial District Court, Red River Parish, State of Louisiana was held in Executive Session; and

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to Staff and the Attorney General's office to submit a counteroffer for settlement 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 14th day of August, 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 #24-08-008

(EXECUTIVE SESSION)

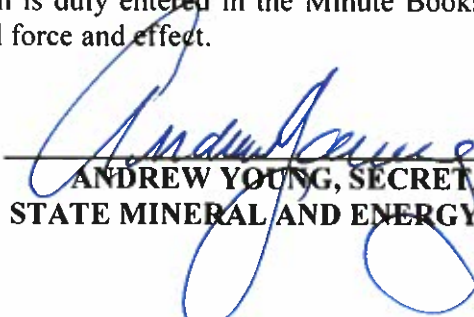
WHEREAS, a discussion of and request for authority to submit a counteroffer for settlement of the suit entitled: BHP v. E.T. Robinson, Docket No. 36018, 39th Judicial District Court, Red River Parish, State of Louisiana was held in Executive Session; and

ON MOTION of Mr. Arceneaux, 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 submit a counteroffer for settlement 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 14th day of August, 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 #24-08-009

(EXECUTIVE SESSION)

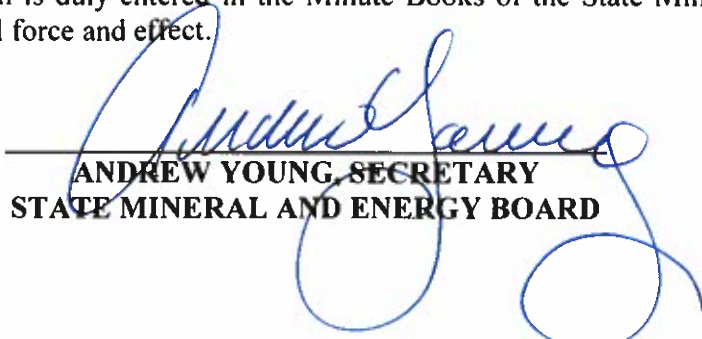
WHEREAS, a discussion of of proposed terms for an Operating Agreement with Williams covering underground natural gas storage within the Washington Gas Storage Unit in St. Landry Parish, Louisiana was held in Executive Session; and

ON MOTION of Mr. Shepherd, 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 terms offered by Williams 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 14th day of August, 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