

MINUTES

**STATE MINERAL AND
ENERGY BOARD**

**LEASE SALE
AND
BOARD MEETING**

MARCH 11, 2020



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

Opening of Bids
March 11, 2020

A public meeting for the purpose of opening sealed bids was held on Wednesday, March 11, 2020, beginning at 8:31 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana.

Emile Fontenot presided over the meeting. He then read the letter of notification certifying the legal sufficiency of the advertisement of Tract Nos. 45279 through 45320 which were published for lease by the Board at today's sale.

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

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 Fontenot stated that there were no tracts to be withdrawn from today's Lease Sale.

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

Tract 45279

(Portion Bid: 1,018 acres)

Bidder	:	McGinty-Durham, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$509,000.00
Annual Rental	:	\$254,500.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45280

(Portion Bid: 293 acres)

Bidder	:	McGinty-Durham, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$146,500.00
Annual Rental	:	\$73,250.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45281
(Entire: 1 acre)

Bidder	:	Zachry Exploration, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$205.00
Annual Rental	:	\$102.50
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 45290
(Portion: 551 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$96,425.00
Annual Rental	:	\$48,212.50
Royalties	:	23.5% on oil and gas
	:	23.5% on other minerals
Additional Consideration	:	None

Tract 45290
(Portion: 551 acres)

Bidder	:	Theophilus Oil, Gas & Land Services, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$129,485.00
Annual Rental	:	\$64,742.50
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 45304
(Portion: 530 acres)

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$190,800.00
Annual Rental	:	\$95,400.00
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

Tract 45305
(Portion: 5 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$1,100.00
Annual Rental	:	\$550.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45305
(Portion: 79 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$17,380.00
Annual Rental	:	\$8,690.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45305
(Portion: 109 acres)

Bidder	:	Hilcorp Energy I, L.P.
Primary Term	:	Three (3) years
Cash Payment	:	\$23,980.00
Annual Rental	:	\$11,990.00
Royalties	:	20% on oil and gas
	:	20% on other minerals
Additional Consideration	:	None

Tract 45309
(Portion: 13 acres)

Bidder	:	Cypress Energy Corporation
Primary Term	:	Three (3) years
Cash Payment	:	\$5,317.00
Annual Rental	:	\$2,658.50
Royalties	:	21.5% on oil and gas
	:	21.5% on other minerals
Additional Consideration	:	None

State Mineral and Energy Board
Opening of Bids
March 11, 2020
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This concluded the reading of the bids.

There being no further business, the meeting was concluded at 8:44 a.m.

Respectfully Submitted,

Jamie S. Manuel, Secretary
State Mineral and Energy Board



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

REGULAR MEETING
March 11, 2020

The Regular Meeting of the State Mineral and Energy Board was held on **Wednesday, March 11, 2020**, beginning at 9:40 a.m. in the LaBelle Room, First Floor, LaSalle Office Building, Baton Rouge, Louisiana, subject to the call of the Governor and Ex-Officio Chairman.

I. CALL TO ORDER

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

II. ROLL CALL

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

W. Paul Segura, Jr., Chairman
Carol R. LeBlanc, Vice-Chair
Robert D. Watkins
Rochelle A. Michaud-Dugas
J. Todd Hollenshead
Thomas L. Arnold, Jr.
Harvey "Ned" White
Willie J. Young, Sr.

The following members of the Board were recorded as absent:

Kyle "Chip" Kline, Jr.
Darryl D. Smith
Thomas F. Harris, DNR Secretary

Mr. Manuel announced that eight (8) members of the Board were present when the roll call was taken and that a quorum was established.

III. PLEDGE OF ALLEGIANCE

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

IV. APPROVAL OF THE FEBRUARY 12, 2020 MINUTES

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

A motion was made by Ms. LeBlanc to adopt the February 12, 2020 Minutes as submitted and to waive reading of same. Her motion was seconded by Mr. Watkins and unanimously adopted by the Board. (No public comment was made at this time.)

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

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

VI. STAFF REPORTS

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

**a) LEASE REVIEW REPORT
March 11, 2020**

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 1,108 active State Leases containing approximately 470,743 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 118 leases covering approximately 49,665 acres for lease maintenance and development issues.

II. BOARD REVIEW

There were no State Lease items brought before the Board.

III. FORCE MAJEURE

There were no Force Majeure items brought before the Board.

b) NOMINATION AND TRACT REPORT
March 11, 2020
(Resolution Nos. 20-03-001 thru 20-03-002)

The Board heard the report of Mr. Emile Fontenot on Wednesday March 11, 2020 relative to nominations received in the Office of Mineral Resources for the May 13, 2020 Mineral Lease Sale and other matters.

Based upon Staff's recommendation, and on motion of Mr. Hollenshead, 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. 20-03-002)**

A request by the applicant, Louisiana Bayou Oil & Gas Co., to withdraw Tracts 45291, 45292, 45293, 45294, 45295, 45296, 45297, 45298, 45299 and 45300 and to re-advertise the said tracts for the May 13, 2020 Mineral Lease Sale. On the motion of Ms. Michaud-Dugas, duly seconded by Mr. Watkins, the Board voted unanimously to withdraw the tracts from the March 11, 2020 Lease Sale and advertise them for the May 13, 2020 Mineral Lease Sale. **(Resolution No. 20-03-001)**

c) AUDIT REPORT
March 11, 2020

The first matter on the audit report was a penalty waiver request from Chesapeake Operating Company.

Upon recommendation of the staff and upon motion of Ms. Michaud-Dugas, seconded by Mr. Young, the Board voted unanimously to waive fifty percent (50%) of the penalty waiver request of \$416,727.92, which amounts to \$208,363.96. **(Resolution No. 20-03-003)**

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

Upon recommendation of Staff and upon motion of Ms. Michaud-Dugas, seconded by Mr. Young, the Board granted authorization to the Attorney General's Office to place EnergyQuest II, LLC, and any affiliated parties or parties associated with the leases, on demand, and further granted authority to the Attorney General's office to file suit for all royalty due, along with interest, penalty, and all other remedies prescribed by law. **(Resolution No. 20-03-004)**

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

No action required.

d) LEGAL & TITLE REPORT
March 11, 2020
(Resolution Nos. 20-03-005 thru 20-03-006)

The first matter considered by the State Mineral and Energy Board (Board) was a request by Castex Energy Partners, LLC (Castex) to extend the authority to escrow funds derived from production from State Lease No. 21615 No. 1 Well (Serial No. 250499) on disputed acreage lying within DISC 12 RA SUA located in Bayou Goreau Field, Terrebonne Parish, Louisiana.

Staff reported that royalties due from Castex production may include State Lease Nos. 21608, 21615 and 21616.

Staff also reported Castex has complied with the Board's escrow requirements as it relates to reporting bank statement submission.

Staff recommended that the Board extend the aforementioned request until September 9, 2020.

Upon motion of Ms. LeBlanc, seconded by Mr. White, and by unanimous vote of the Board, the Board voted to extend the authority to escrow funds derived from production from State Lease No. 21615 No. 1 Well (Serial No. 250499) on disputed acreage lying within DISC 12 RA SUA located in Bayou Goreau Field, Terrebonne Parish, Louisiana, until September 9, 2020. There were no comments from the public on this matter. **(Resolution No. 20-03-005)**

The second matter considered by the Board was a request by Six Pines Exploration, LLC et al to amend State Lease Nos. 18165 and 21187 to include current lease language missing in said leases (shut-in, force majeure, reporting requirements, public lands preservation, audit rights, and acreage retention).

Staff recommended that the Board approve the amending of State Lease Nos. 18165 and 21187 as stated above.

Upon motion of Mr. Watkins, seconded by Ms. Michaud-Dugas, and by unanimous vote of the Board, the Board voted to amend State Lease Nos. 18165 and 21187 to include current lease language relative to shut-in, force majeure, reporting requirements, public lands preservation, audit rights, and acreage retention. There were no comments from the public on this matter. **(Resolution No. 20-03-006)**

e) DOCKET REVIEW REPORT

March 11, 2020
(Resolution No(s). 20-03-007 thru 20-03-017)

The Board heard the report from Emile Fontenot on Wednesday, March 11, 2020, relative to the following:

- Category A: State Agency Leases
There were no items for this category
- Category B: State Lease Transfers
Docket Item Nos. 1 through 10
- Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category
- Category D: Advertised Proposals
Docket Item No. 1

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

- Category B: State Lease Transfers
Approve Docket Item Nos. 1 through 10
(Resolution Nos. 20-03-007 through 20-03-016)
- Category D: Advertised Proposals
Approve Docket Item No. 1
(Resolution No. 20-03-017)

VII. EXECUTIVE SESSION

The Chairman stated that the next order of business was discussions in Executive Session to consider matters before the Board which were confidential in nature. Upon motion of Ms. Michaud-Dugas, seconded by Mr. Watkins, the Board Members went into Executive Session at 9:59 a.m.

Upon motion of Ms. LeBlanc, seconded by Mr. Young, the Board reconvened in open session at 11:22 a.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion of the Lapeyrouse Field title dispute with Apache Minerals

There was no discussion held nor any action taken by the Board. This item will be discussed at a later date. No comments were made by the public.

- b. Presentation of settlement in the matter of LLOX, et al. v. State, et al., Docket No. 787-453, Div. F, 24th JDC, Jefferson Parish

Upon motion of Ms. LeBlanc, seconded by Ms. Michaud-Dugas, the Board granted authority to the Attorney General's office to respond to settlement proposals of two (2) of the three (3) parties and negotiate as per the terms discussed in Executive Session. No comments were made by the public. **(Resolution No. 20-03-018)**

- c. A discussion regarding Chevron's penalty waiver request

After consideration of Chevron's prompt payment of interest and expeditious handling of issues related to the royalties, and upon motion of Ms. Michaud-Dugas, seconded by Mr. Hollenshead, the Board granted Chevron's penalty waiver request and approved a full waiver of the penalty. No comments were made by the public. **(Resolution No. 20-03-019)**

- d. A discussion regarding the Goldking audit

Pursuant to the request of the Attorney General's office and the Mineral Income Division of the Office of Mineral Resources, and upon motion of Mr. Young, seconded by Ms. Michaud-Dugas, the Board rescinded the resolution dated May 14, 2014 which directed the Attorney General's office to file suit in this matter. The Board, pursuant to the request of the Attorney General's office and the Mineral Income Division of the Office of Mineral Resources, and upon motion of Mr. Young, seconded by Ms. Michaud-Dugas, further granted authority to

close this audit. No comments were made by the public. **(Resolution No. 20-03-020)**

- e. A discussion regarding the Red River title disputes project

This matter was only a discussion, and no action was taken.

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

VIII. AWARDING OF LEASES

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

Upon motion by Mr. Hollenshead, seconded by Mr. Watkins, the Board unanimously voted to accept the 1st bid received on a portion of Tract No. 45290 as follows:

1. Award a lease on a portion (\pm 551 acres) of Tract No. 45290 to Hilcorp Energy I, L.P.

Upon motion by Ms. LeBlanc, seconded by Mr. Watkins, the Board unanimously voted to accept Staff's recommendations on all other bids received as follows:

2. Award a lease on a portion of Tract No. 45279 (1,018 acres) to McGinty-Durham, Inc.
3. Award a lease on a portion of Tract No. 45280 (293 acres) to McGinty-Durham, Inc.
4. Award a lease on Tract No. 45281 to Zachry Exploration, LLC
5. Award a lease on a portion (530 acres) of Tract No. 45304 to Cypress Energy Corporation
6. Award a lease on a portion (5 acres) of Tract No. 45305 to Hilcorp Energy I, L.P.
7. Award a lease on a portion (79 acres) of Tract No. 45305 to Hilcorp Energy I, L.P.
8. Award a lease on a portion (109 acres) of Tract No. 45305 to Hilcorp Energy I, L.P.
9. Award a lease on a portion (13 acres) of Tract No. 45309 to Cypress Energy Corporation

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

This concluded the awarding of the leases.

IX. NEW BUSINESS

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

No new business was presented.

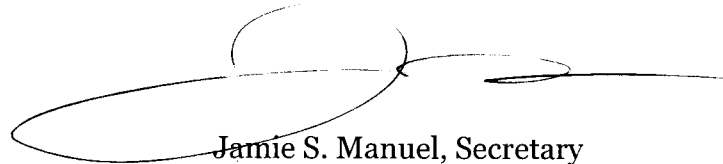
X. ANNOUNCEMENTS

Mr. Manuel stated that the leases awarded totaled \$990,707.00 for the March 11, 2020 Lease Sale bringing the fiscal year total to \$2,575,574.35.

XI. ADJOURNMENT

The Chairman then stated there being no further business to come before the Board, upon motion of Ms. LeBlanc, seconded by Mr. White, the meeting was adjourned at 11:29 a.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Jamie S. Manuel', with a large, sweeping flourish extending to the left.

Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Tracts Withdrawal

RESOLUTION #20-03-001

(NOMINATION AND TRACT REPORT)

WHEREAS, the Staff presented a recommendation to withdraw Tract Nos. 45291 through 45300 from the March 11, 2020 Lease Sale and re-advertise for the May 13, 2020 mineral lease sale;

ON MOTION of **Ms. Michaud-Dugas**, 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 final approval to withdraw all such tracts for the March 11, 2020 Mineral Lease Sale;

NOW, BE IT THEREFORE RESOLVED, that the State Mineral and Energy Board does hereby approve and authorize the withdrawal of said Tracts from the March 11, 2020 Lease Sale and re-advertise for the May 13, 2020 mineral lease sale, and to otherwise approve the Nomination and Tract Committee 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 11th day of March 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Authority to Advertise
Tracts for May 13,
2020 Lease Sale

RESOLUTION #20-03-002

(NOMINATION AND TRACT REPORT)

WHEREAS, Mr. Emile Fontenot reported that one (1) tract(s) were nominated for the May 13, 2020 Mineral Lease Sale, and requested that same be advertised pending staff review;


ON MOTION of **Mr. Hollenshead**, 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 May 13, 2020 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 11th day of March 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

**Resolution #20-03-003
(AUDIT REPORT)**

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

WHEREAS, The State Mineral and Energy Board caused an audit to be performed of state royalty payments made by Chesapeake Operating Company in the Alabama Bend, Bayou San Miguel, Bracky Branch, Caspiana, Chemard Lake, Converse, Elm Grove, Greenwood-Waskom, Lake Bistineau, Red River-Bull Bayou, Swan Lake, Thorn Lake, and Vernon fields; State Leases 17124, 17127, 17329, 17734, 17914, 17947, 18181, 18183, 18372, 18393, 18394, 18605, 19180, 19181, 19182, 19351, 19459, 19695, 19760, 19767, 19768, 19770, 19779, 19788, 19789, 19790, 19791, 19830, 19831, 19834, 19835, 19845, 19846, 19847, 19848, 19929, 20037, 20078, 20079, 20080, 20081, 20084, 20166, 20167, 20168, 20186, 20192, 20234, 20273, 20337, 20355, 20356, 20467, 20468, 20470, 20471, 20543, 20721, 20800, A0305, and B1009 which audit revealed that Chesapeake Operating Company owed the state \$1,776,811.66 in underpayment of royalty and \$664,062.16 in interest and penalty for a total of \$2,440,873.82; and

WHEREAS, Chesapeake Operating Company has remitted payment of \$2,024,145.90 for the outstanding principal and interest and made letter of application for reduction of penalties assessed in the amount of \$416,727.92 that were the result of incorrect royalty payments; and

WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration and in accordance with State Mineral and Energy Board established protocol, recommended that the foregoing request for a reduction of penalties be approved and that fifty percent (50%) of the penalty be waived;

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

THEREFORE, BE IT RESOLVED that the Board does waive fifty percent (50%), which amounts to \$208,363.96 of the total penalty assessed to Chesapeake Operating Company.

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 11th day of March, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral and Energy Board and is now in full force and effect.


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

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION # 20-03-004

(AUDIT REPORT)

WHEREAS, the State Mineral and Energy Board caused an audit of Energyquest II, LLC to be performed of respecting the royalty payments under State Lease Nos. 329, 340, 368, 1230, 1237, 1997, 1998, 1999, 2000, 2001, 2326, 4409, 4574, 15958, 16667, 16710, 16849, 16850, 16851, 17340, and B9956 in the Bayou Sale; Breton Sound Block 20; Breton Sound Block 36; Breton Sound Block 37; Clam Bay; Cote Blanche Island; Empire; Horseshoe Bayou; Main Pass Block 47; West Cameron Block 1 and White Lake, West fields; and

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

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

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

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

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the Louisiana State Mineral Board in the City of Baton Rouge, Louisiana on the 11th day of March, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Louisiana State Mineral Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #20-03-005

(LEGAL & TITLE CONTROVERSY REPORT)

Castex – Request to
Extend Escrow for State
Lease No. 21615 No. 1
Well Serial No. 250499.

WHEREAS, Castex Energy Partners, LLC (Castex) has requested to extend the authority to escrow funds derived from production from State Lease No. 21615 No. 1 Well (Serial No. 250499) on disputed acreage lying within DISC 12 RA SUA located in Bayou Goreau Field, Terrebonne Parish, Louisiana; and

WHEREAS, royalties due from this production may include State Lease Nos. 21608, 21615 and 21616; and

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

That the Board approve the request from Castex as stated above and extend the authority to escrow funds to September 9, 2020.

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

NOW THEREFORE, BE IT RESOLVED that the request to extend escrow royalty payments derived from production from State Lease No. 21615 No. 1 Well (Serial No. 250499) on disputed acreage lying within DISC 12 RA SUA located in Bayou Goreau Field, Terrebonne Parish, Louisiana, is hereby approved and extended until the September 9, 2020 State Mineral and Energy Board Meeting.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 11th day of March 2020 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #20-03-006

(LEGAL & TITLE CONTROVERSY REPORT)

Six Pines Exploration, LLC,
et al, request to add new
lease language to current
SL Nos. 18165 and 21187.

WHEREAS, a request by Six Pines Exploration, LLC, et al to the State Mineral and Energy Board to amend State Lease Nos. 18165 and 21187 to include current lease language pertaining to shut-in, force majeure, reporting requirements, public lands preservation, audit rights, and acreage retention; and

WHEREAS, Staff recommended that the Board grant approval of the aforementioned request; and

ON MOTION of Mr. Watkins, seconded by Ms. Michaud-Dugas, and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby amend State Lease Nos. 18165 and 21187 to include current lease language pertaining to shut-in, force majeure, reporting requirements, public lands preservation, audit rights, and acreage retention as requested by Six Pines Exploration, LLC, et al.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 11th day of March, 2020 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.


JAMIE S. MANUEL, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #20-03-007 (DOCKET)

On motion of Mr. Hollenshead, 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 March 11, 2020 meeting be approved, said instrument an Assignment from Theophilus Oil, Gas & Land Services, LLC to USG Properties Haynesville, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 21941, 21942, 21943 and 21944, Caddo Parish, Louisiana, 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.

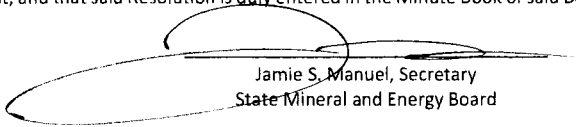
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 11th day of March, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #20-03-008

(DOCKET)

On motion of Mr. Hollenshead, 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 March 11, 2020 meeting be approved, said instrument an Assignment from Comstock Oil & Gas, LLC to Comstock Oil & Gas-Louisiana, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 17126, 17127 and 18276, Bossier and Caddo Parishes, Louisiana, with further particulars being stipulated in the instrument.

Comstock Oil & Gas-Louisiana, 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;

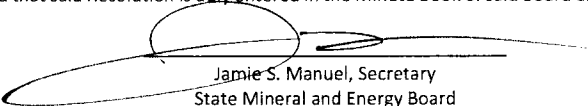
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 11th day of March, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #20-03-009 (DOCKET)

On motion of Mr. Hollenshead, 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 March 11, 2020 meeting be approved, said instrument an Assignment from BG US Production Company, LLC to Castleton NLA LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 6760, 9312, 18353, 19011, 19027, 19122, 19180, 19182, 19767, 19779, 19780, 20356 and 20370, Caddo, DeSoto and Red River Parishes, Louisiana, with further particulars being stipulated in the instrument.

Castleton NLA 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;

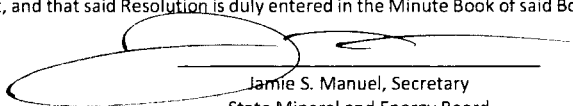
5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and

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 11th day of March, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #20-03-009 (DOCKET)

On motion of Mr. Hollenshead, 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 March 11, 2020 meeting be approved, said instrument an Assignment from BG US Production Company, LLC to Castleton NLA LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 6760, 9312, 18353, 19011, 19027, 19122, 19180, 19182, 19767, 19779, 19780, 20356 and 20370, Caddo, DeSoto and Red River Parishes, Louisiana, with further particulars being stipulated in the instrument.

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

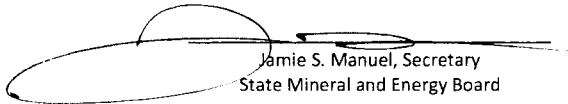
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 11th day of March, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #20-03-010 (DOCKET)

On motion of Mr. Hollenshead, 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 March 11, 2020 meeting be approved, said instrument an Assignment from Perry Point Holdings, L.L.C. to JEMS Oil, LLC., of all of Assignor's right, title and interest in and to State Lease No. 3172, Acadia Parish, Louisiana, with further particulars being stipulated in the instrument.

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

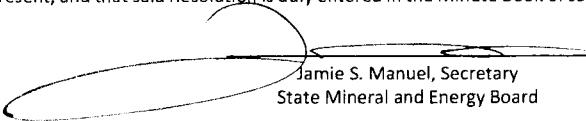
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 1) That all terms and conditions of the basic lease will be fulfilled, including but not limited to the full payment of rentals and royalties, regardless of the division of leasehold interests resulting from the instrument;
- 2) That failure to comply with the terms and conditions of the basic lease by the original lessee, or by any assignee, sublessor or sublessee, prior or subsequent hereto, shall not be deemed waived by the approval of said instrument by the State Mineral and Energy Board for the State of Louisiana, it being distinctly understood that the State Mineral and Energy Board for the State of Louisiana does not recognize said instrument as creating a novation, as regards any right or interest of the State or Board;
- 3) That in the event ownership of the basic mineral lease is or becomes vested in two or more lessees responsible to the lessor for compliance with indivisible obligations to maintain the lease, then said lessees shall designate in writing to the State Mineral and Energy Board the lessee representing the joint account of all lessees, who shall be accountable to the Board for discharge of indivisible obligations under the lease for all lessees or for release in lieu of compliance therewith, provided that in the event of failure of said lessees to comply with such condition, then the Board may withhold approval of and thereby deny validity to any pending or future assignment or transfer of an interest in the lease, and, provided further, that if any lessee should agree to release the lease or any segregated portion thereof in lieu of complying with an indivisible lease obligation to maintain the lease and no other lessee desires to assume and undertake the indivisible obligation, then all lessees agree to join in a release or to otherwise execute a similar release of their rights to lessor, relegating any nonsignatory lessee to such remedy, if any, as such party may have against the lessee or lessees, who may execute a release purporting to cover the entirety of the lease or of a segregated portion thereof;
- 4) That this approval is given merely for the purpose of validating the assignment or transfer under the provisions of R.S. 30:128, but by giving its approval, the Board does not recognize the validity of any other instrument referred to therein that has not also been considered and approved by the Board in its entirety nor of any descriptions nor adopt any of the terms and conditions in the assignment or transfer, including but not limited to any election to convert an overriding royalty interest to a working interest, and any such election shall not be effective until written notice thereof is given to the Board and assignment or transfer of such working interest in recordable form is docketed for approval and approved by the Board, and, furthermore, that this approval may not operate as the Board's approval of any sales contract, which may have been entered into by the parties to the assignment or transfer, inasmuch as the Board specifically reserves the right to take its royalty oil, gas and other minerals in kind;
- 5) That for purposes of recordation and notice, certified copies of this Resolution be attached to all docketed copies of the instrument approved hereby; and
- 6) That nothing herein shall be construed as approval for any assignment, sublease or transfer to or from any individual, partnership, corporation or other legal entity who has filed bankruptcy proceedings unless such status is specifically recognized in this resolution.

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

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of March, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #20-03-011 (DOCKET)

On motion of Mr. Hollenshead, 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 March 11, 2020 meeting be approved, said instrument an Assignment from BHP Petroleum Partners (N.A.), of all of Assignor's right, title and interest to the following in the proportions set out below:

Aethon United BR LP	90%
PEO Haynesville Holdco, LLC	10%

in and to State Lease No. 19349, Bossier and Caddo Parish, Louisiana, with further particulars being stipulated in the instrument.

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

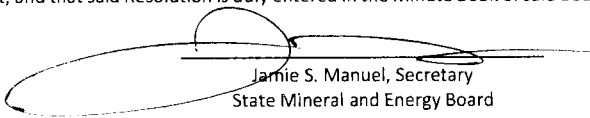
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 11th day of March, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #20-03-012 (DOCKET)

On motion of Mr. Hollenshead, 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. 6 from the March 11, 2020 meeting be approved, said instrument an Assignment from Pintail WI LLC to GCMS Oil, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 12239 and 21104, Calcasieu Parish, Louisiana, with further particulars being stipulated in the instrument.

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

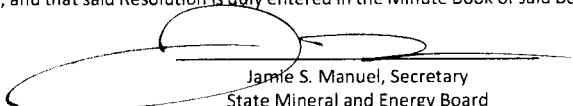
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 11th day of March, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #20-03-013 (DOCKET)

On motion of Mr. Hollenshead, 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. 7 from the March 11, 2020 meeting be approved, said instrument an Assignment from Pure Partners, L.P. and Chevron Midcontinent, L.P to Chevron U.S.A. Inc., of all of Assignor's right, title and interest in and to State Lease Nos. 14371 and 14721, Iberville Parish, Louisiana, with further particulars being stipulated in the instrument.

Chevron U.S.A. Inc. is designated as the joint account Lessee (contact company) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

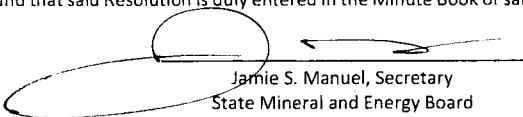
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 11th day of March, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #20-03-014 (DOCKET)

On motion of Mr. Hollenshead, 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. 8 from the March 11, 2020 meeting be approved, said instrument an Assignment from Pure Partners, L.P. to Chevron U.S.A. Inc., of all of Assignor's right, title and interest in and to State Lease No. 12605, Jefferson Davis and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument.

Chevron U.S.A. Inc. is designated as the joint account Lessee (contact company) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

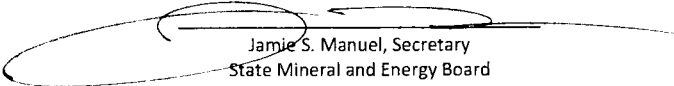
This approval is expressly granted and accepted subject to certain conditions in the absence of which conditions approval of said instrument would not have been given as follows:

- 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 11th day of March, 2020, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Resolution #20-003-017

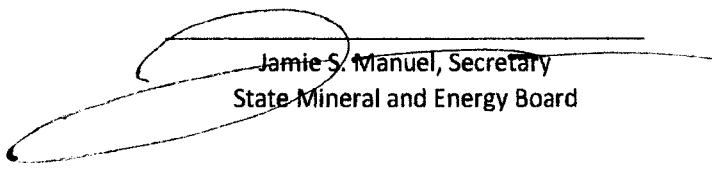
(DOCKET)

On motion of Mr. Hollenshead, 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. 20-01 from the March 11, 2020 meeting be approved, said instrument being an Operating Agreement by and between the State Mineral and Energy Board and Pruet Production Co., to create an operating tract for the exploration and development of oil, gas and/or condensate and other liquid hydrocarbons, which proposal allocates to the state a State Production Interest equal to 20% before payout and 25% after payout, in and to the operating tract, covering water bottoms under Middle Fork Bayou within the geographic confines of the CV DAVIS RB SUQ, containing 9 acres, more or less, Lincoln and Union Parishes, Louisiana, with further particulars being stipulated in the instrument

CERTIFICATE

I hereby certify that the above is a true and correct copy of a Resolution adopted at a meeting of the State Mineral and Energy Board held in the City of Baton Rouge, Louisiana, on the 11th day of March, 2020 pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Book of said Board and is now in full force and effect.


Jamie S. Manuel, Secretary
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Re: LLOX, L.L.C., LLOLA,
L.L.C. and Wadi Petroleum,
Inc. v. State of LA, et al.,
#787-453, Div F, 24th JDC
Jefferson Parish

RESOLUTION # 20-03-018

(EXECUTIVE SESSION)

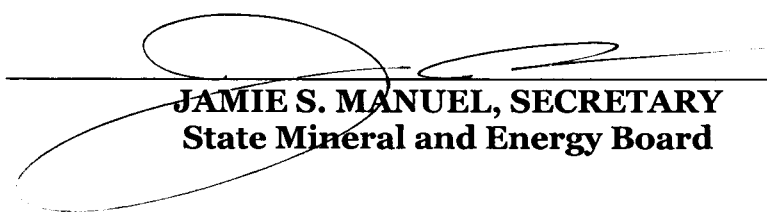
WHEREAS, a discussion was held in Executive Session regarding the matter entitled: LLOX, L.L.C., LLOLA, L.L.C. and Wadi Petroleum, Inc. v. State of Louisiana, et al., Docket No. 787-453, Division F, 24th Judicial District Court, Jefferson Parish;

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board granted authority to the Attorney General's office to respond to settlement proposals of two (2) of the three (3) parties and negotiate as per the terms 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 11th day of March, 2020 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Chevron Penalty Waiver
Request

RESOLUTION # 20-03-019

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding Chevron's penalty waiver request;

ON MOTION of Ms. Michaud-Dugas, 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 after consideration of Chevron's prompt payment of interest and expeditious handling of issues related to the royalties, the State Mineral and Energy Board granted the penalty waiver request of Chevron and approved a full waiver of the penalty.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 11th day of March, 2020 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Executive Session Discussion
Goldking Audt

RESOLUTION # 20-03-020

(EXECUTIVE SESSION)

WHEREAS, a discussion was held in Executive Session regarding the Goldking Audit;

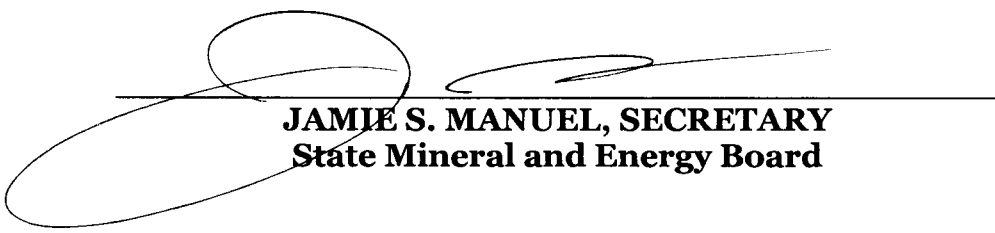
ON MOTION of Mr. Young, seconded by Ms. Michaud-Dugas, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that, pursuant to the request of the Attorney General's office and the Mineral Income Division of the Office of Mineral Resources, the State Mineral and Energy Board rescinded the resolution dated May 14, 2014 which directed the Attorney General's office to file suit in this matter;

NOW THEREFORE, BE IT FURTHER RESOLVED that, pursuant to the request of the Attorney General's office and the Mineral Income Division of the Office of Mineral Resources, the State Mineral and Energy Board granted authority to close this audit.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 11th day of March, 2020 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.



JAMIE S. MANUEL, SECRETARY
State Mineral and Energy Board