

MINUTES

STATE MINERAL AND ENERGY BOARD

LEASE SALE
AND
BOARD MEETING

March 11, 2026

JEFF LANDRY
GOVERNOR



DUSTIN H. DAVIDSON
SECRETARY

DEPARTMENT OF CONSERVATION AND ENERGY

March 11th, 2026

LADIES and GENTLEMEN:

Certified proofs of publication have been received in the Office of State 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. **46022** through **46035** have been advertised in accordance with and under the provisions of Chapter 2, Title 30 of the Revised Statutes of 1950, as amended.

We have received no letters of protest and no requests to withdraw any of today's tracts.

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



DEPARTMENT OF CONSERVATION AND ENERGY

**OPENING OF BIDS
March 11, 2026**

A public meeting for the purpose of opening sealed bids was held on Wednesday, March 11, 2026, beginning at 8:30 a.m.

Angela Patterson, Land Specialist in the Land Administration Division of the Office of State Resources, presided over the meeting.

Ms. Patterson stated that no letters of protest were received.

She then read the letters of notification certifying the legal sufficiency of the advertisement of Tract Nos. 46022 through 46035, which were published for today's lease sale.

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

Tract 46029
(Entire: 60.000 acres)

<u>Bidder:</u>	HTR-Louisiana, L.L.C.
<u>Primary Term:</u>	Three (3) years
<u>Cash Payment:</u>	\$105,000.00
<u>Annual Rental:</u>	\$52,500.00
<u>Royalties:</u>	22.5% on oil and gas 22.5% on other minerals
<u>Additional Consideration:</u>	None

This concluded the reading of the bids.

There being no further business, the Opening of the Bids Meeting was concluded at 8:33 a.m.

Respectfully Submitted,

A handwritten signature in blue ink, reading "Monique M. Edwards".

MONIQUE M. EDWARDS, SECRETARY
STATE MINERAL AND ENERGY BOARD



DEPARTMENT OF CONSERVATION AND ENERGY

**REGULAR MEETING
MARCH 11, 2026**

The Regular Meeting of the State Mineral and Energy Board was held on Wednesday, March 11, 2026, beginning at 9:34 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 Degan, 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.

The following members were recorded as present:

Sidney W. Degan, III, Chairman
J. Todd Hollenshead, Vice-Chairman
Mark Normand, Jr., C&E Undersecretary
Mark E. Barton
Magnus J. "Jake" Arceneaux IV
Charles W. "Wes" Shepherd Sr.
Robert D. Watkins
Michael J. Tanner

The following members were recorded as absent:

Jarrold J. Coniglio, Governor Landry's Designee
Jeffery C. Delahoussaye
Billy A. Busbice, Jr.

Also recorded as present were:

Andrew Young, Executive Director of the Office of State Resources and
Secretary to the State Mineral and Energy Board
David Peterson, Assistant Attorney General

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.

IV. Approval of the February 11, 2026 Minutes

The Chairman stated that the next order of business was the approval of the February 11, 2026 Minutes.

A motion was made by Mr. Watkins to adopt the February 11, 2026 Minutes as submitted, and to waive reading said minutes in entirety. His motion was seconded by Mr. Normand 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, Resource Analytics Division
- b) Audit Report – Presented by Taletha Shorter, Audit Director, Income Division
- c) Nomination and Tract Report – Presented by Greg Roberts, Petroleum Lands Director, Land Administration Division
- d) Legal and Title Controversy Report – Presented by Greg Roberts, Petroleum Lands Director, Land Administration Division
- e) Docket Review Report – Presented by Greg Roberts, Petroleum Lands Director, Land Administration Division

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

a) LEASE REVIEW REPORT
March 11, 2026
(Resolution Nos. 26-03-001 and 26-03-002)

The Board heard the report of Mr. Jason Talbot, Petroleum Scientist Manager, on Wednesday, March 11, 2026, relative to the following:

I. RESOURCE ANALYTICS DIVISION REVIEW

According to the SONRIS database, there are a total of approximately 870,934 state acres under contract (i.e., state leases, operating agreements). Shown below is each category:

Oil & Gas Leases

- 927 State Leases - approximately 393,965 acres.
 - Reviewed 114 leases approximately 50,495 acres

Oil & Gas Operating Agreements

- 72 Operating Agreements - approximately 8,386 acres
 - Reviewed 5 Operating Agreements approximately 196 acres

Gas Storage Operating Agreements

- 4 Operating Agreements – approximately 2,755 acres

Carbon Capture Storage Operating Agreements

- 6 Operating Agreements - approximately 406,216 acres

Wind Energy Operating Agreements

- 1 Operating Agreement – approximately 59,693 acres

II. BOARD REVIEW

There were no State Lease items brought before the Board.

III. FORCE MAJEURE

1. LLOX, LLC (LLOX) requests the recognition of a force majeure event affecting State Lease Nos. 195, 20805, and 21775 located in the East Black Bay Field, Plaquemines Parish, Louisiana.

Mr. Talbot provided the following information to the Board in consideration of this request:

- The field is currently without sufficient gas to lift the oil wells located across LLOX's leasehold;
- Last date of production was February 4, 2026;
- Without the recognition of force majeure, the above referenced leases are in jeopardy to expire by May 4, 2026 (i.e., 90 days);
- LLOX is currently drilling the State Lease No. 22278 No. 1 (SN 255522) in the East Black Bay Field;
- The well was permitted to a total depth of 14,367 ft measured depth (md);
- From a February 23, 2026 drilling scout report, the well is currently at 10,832 ft md;
- If well proves to be successful and production in paying quantities is obtained, a new source of gas will be available to LLOX to gas lift their oil wells in East Black Bay Field; and
- There are other oil wells operated by an adjacent operator that may possible benefit.

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Upon motion of Mr. Shepherd, seconded by Mr. Watkins, the Board voted unanimously to grant the request of LLOX, LLC for recognition of a force majeure event affecting State Lease Nos. 195, 20805, and 21775 located in the East Black Bay Field, Plaquemines Parish, Louisiana. There were no other comments received from the public on this matter. **(Resolution No. 26-03-001)**

2. PEL Black Bay, LLC (Perdido) requests the recognition of a force majeure event affecting State Lease No. 195 located in the East Black Bay Field, Plaquemines Parish, Louisiana.

Mr. Talbot provided the following information to the Board in consideration of this request:

- The circumstances are almost identical to LLOX's force majeure request, i.e., insufficient gas to lift oil wells located on State Lease No. 195;
- Perdido is the majority owner of State Lease No. 195 at Black Bay and had relied on LLOX's unit production to maintain State Lease No. 195 by way of unitized acreage;

- With all of LLOX's Black Bay production currently shut-in, Perdido has decided to make their own request for force majeure recognition; and
- Perdido is currently planning to sidetrack the State Lease No. 195 QQ No. 50 well in hopes to establish production and provide reliable gas to the field.

Upon motion of Mr. Arceneaux, seconded by Mr. Shepherd, the Board voted unanimously to grant the request of PEL Black Bay, LLC (Perdido) for recognition of a force majeure event affecting State Lease No. 195 located in the East Black Bay Field, Plaquemines Parish, Louisiana. There were no other comments received from the public on this matter. **(Resolution No. 26-03-002)**

b) AUDIT REPORT
March 11, 2026
(Resolution No. 26-03-003)

The Board heard the report of Ms. Taletha Shorter, Audit Director, on Wednesday, March 11, 2026, relative to the following:

I. INCOME MONTHLY STATISTICS REVIEW

- A. As of February 28, 2026, field audit collections totaled \$3,852,834.21, which includes \$3,613,196.57 in royalty collections and \$239,637.64 in interest. In the month of February, one audit was engaged and one audit was closed. The current number of open royalty audits is 36.

Royalties collected in February 2026 totaled \$10,071,994.55 and Fiscal Year to Date \$89,210,356.93, as compared to last year's Fiscal Year to Date Royalties of \$86,741,706.72 as of February 28, 2025.

Monthly state royalty reports submitted in February totaled 201 which include 70 SR1s for oil, 112 SR2s for gas and 19 SR5s for plant products.

II. CURRENT DELINQUENT PAYORS

- A. There were no delinquent payors brought before the Board.

III. BOARD REVIEW

- A. Ms. Shorter presented an SMEB approved Field Audit Penalty Waiver Stats.

This item was informational only and no Board action was required.

- B. Ms. Shorter reported to the Board that the election for March 2026 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.

Upon motion of Mr. Shepherd, seconded by Mr. Arceneaux, the Board voted unanimously to acknowledge and approve the election of the March 2026 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. 26-03-003)**

c) NOMINATION AND TRACT REPORT

March 11, 2026
(Resolution No. 26-03-004)

The Board heard the report of Mr. Greg Roberts on Wednesday, March 11, 2026, relative to nominations received in the Office of State Resources for the May 13, 2026 Mineral Lease Sale and other matters.

I. PRESENT LEASE SALE

- A. Approval by the State Mineral and Energy Board (Board) was previously granted to the Staff of the Office of State Resources (OSTR) to process and advertise the fourteen (14) tracts that were nominated for the March 11, 2026 Mineral Lease Sale.

By comparison, OSTR received three (3) nominations for advertisement concerning the March 12, 2025 Mineral Lease Sale.

II. FUTURE LEASE SALE

- A. Five (5) nominations for advertisement were received by OSTR for the May 13, 2026 Mineral Lease Sale.

By comparison, OSTR advertised two (2) nominations associated with the May 14, 2025 Mineral Lease Sale.

Based on Staff's recommendation, and on motion of Mr. Hollenshead, seconded by Mr. Shepherd, and by unanimous vote of the Board, the Board granted authority to advertise all such tracts that have been received by OSTR as well as any tracts that have been previously nominated and rolled over, and to otherwise approve the Nomination and Tract Report. **(Resolution No. 26-03-004)**

d) LEGAL & TITLE CONTROVERSY REPORT

March 11, 2026
(Resolution No. 26-03-005 and 26-03-006)

The Board heard the report of Mr. Greg Roberts, Petroleum Lands Director, on Wednesday, March 11, 2026, relative to the following:

1. A request by the Office of State Resources (Staff) to approve the proposed 2026 State Lease Investment Program in accordance with Executive Order JML 25-72.

Mr. Roberts provided the following information to the Board in consideration of this request:

- At its December 10, 2025 meeting, the State Mineral and Energy Board (Board) authorized Staff, through Resolution No. 25-12-013, to publish a preliminary draft of a proposed 2026 State Lease Investment Program and to hold a public comment period;
- This program was drafted in accordance with Executive Order JML 25-72;
- At its February 11, 2026 meeting, Staff updated the Board that the public comment period had closed and that Staff was working to incorporate the public comments received, where appropriate; and
- A second draft was presented to the Board at this meeting along with a request for the Board's approval to finalize the program.

Upon motion of Mr. Arceneaux, seconded by Mr. Shepherd, the Board voted unanimously to approve the 2026 State Lease Investment Program in accordance with Executive Order JML 25-72. There were no other comments received from the public on this matter. **(Resolution No. 26-03-005)**

Upon further discussion of the approval of the 2026 State Lease Investment Program, the following motion was made and approved:

Upon motion of Mr. Shepherd, seconded by Mr. Barton, the Board voted unanimously to express its' support of legislation that would authorize a decrease in the statutory minimum royalty for state leases, as such that the State Mineral and Energy Board could promote industry activity if the economic circumstances warrant it. There were no other comments received from the public on this matter. **(Resolution No. 26-03-006)**

e) DOCKET REVIEW REPORT
March 11, 2026
(Resolution Nos. 26-03-007 through 26-03-016)

The Board heard the report from Greg Roberts on Wednesday, March 11, 2026, relative to the following:

- Category A: State Agency Leases
There were no items for this category
- Category B: State Lease Transfers
Docket Items B.1 through B.8
- Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category
- Category D: Advertised Proposals
Docket Items D.1 (26-05) and D.2 (26-06)

Based upon Staff's recommendations, and upon motion of Mr. Hollenshead, seconded by Mr. Watkins, the Board voted to unanimously accept the following recommendations:

- Category B: State Lease Transfers
Approve Docket Items B.1 through B.8
(Resolution Nos. 26-03-007 through 26-03-014)
- Category D: Advertised Proposals
Approve Docket Items D.1 (26-05) and D.2 (26-06)
(Resolution Nos. 26-03-015 and 26-03-016)

- VI. Oilfield Site Restoration Program (OSR)** – Jody Broussard, Director of the OSR Program, presented the report for the OSR, including the following:

I. Oil Field Site Restoration Program

1. OSR monthly report for the Board

This item was informational only, and no Board action was required.

2. OSR Program Presentation

A discussion was held regarding the requested addition of Seahorse Well Services, LLC to be added to the Oilfield Site Restoration Program's list of approved contractors.

Upon motion of Mr. Shepherd, seconded by Mr. Arceneaux, the Board voted unanimously to approve the addition to the list of approved contractors. There were no comments from the public received on this item. **(Resolution No. 26-03-017)**

- VII. Natural Resources Trust Authority Report (NRTA)** - Tanner Magee, Director of the NRTA

II. Louisiana Oil Field Restoration Association Program

1. Update on monthly invoicing and collection amounts

Informational only and no Board action was required.

VIII. 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. Tanner, and upon a roll call vote of the Board Members, the Board went into Executive Session at 10:41 a.m.

Upon a roll call vote of the Board Members, the Board reconvened in open session at 11:59 a.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion of proposed terms for an Operating Agreement with Kenosis I, LLC covering land located in the Eloï Bay Field and Half Moon Lake Field, St. Bernard Parish, Louisiana

Mr. Degan recused himself from discussion of this item while in Executive Session.

This item was informational only and no Board action was required.

- b. A discussion and request for authority to settle the full scope of Hilcorp Energy Company audit #973. This ongoing audit covers the period from January 2012 through December 2020.

This item was informational only and no Board action was required.

- c. A discussion concerning ongoing litigation related to the matter entitled *Hilcorp Energy Co., et. al. v. State of Louisiana, et al.*, consolidated Docket Nos. 65,759 and 65,760, 25 Judicial District Court, Plaquemines Parish involving an title conflict over the producing unit called 17 MKR- 5 RA SU

Upon motion of Mr. Shepherd, seconded by Mr. Arceneaux, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to make a settlement offer based on terms discussed in Executive Session. **(Resolution No. 26-03-018)**

- d. Technical Briefing on Bids

IX. Awarding of Leases

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

Mr. Talbot reported that fourteen (14) tracts were up for bid at today's lease sale, with one (1) bid received.

Staff reported that the bid received on the tract No. 46029 was recommended for approval at today's lease sale.

Upon motion of Mr. Hollenshead, and seconded by Mr. Shepherd, the Board voted to accept Staff's recommendations regarding the following bid and award a lease on the following tract:

Tract 46029
(Entire: 60.000 acres)

<u>Bidder:</u>	HTR-Louisiana, L.L.C.
<u>Primary Term:</u>	Three (3) years
<u>Cash Payment:</u>	\$105,000.00
<u>Annual Rental:</u>	\$52,500.00
<u>Royalties:</u>	22.5% on oil and gas 22.5% on other minerals
<u>Additional Consideration:</u>	None

This concluded the awarding of the leases.

X. New Business

a. ADA Compliance for Open Meetings

This item was informational only, and no Board action was required

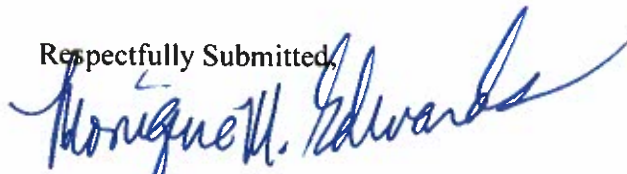
XI. Announcements

Mr. Young stated that the total cash payments received for the March 11, 2026 Lease Sale totaled \$105,000.00, bringing the fiscal year-to-date total to \$2,355,406.97.

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 12:03 p.m.

Respectfully Submitted,



MONIQUE M. EDWARDS, SECRETARY
STATE MINERAL AND ENERGY BOARD