REGULAR MEETING
MAY 14, 2025

The Regular Meeting of the State Mineral and Energy Board was held on Wednesday, May 14, 2025, beginning at 9:40 a.m. in the LaBelle Room of the LaSalle Building, 617 N. 3rd Street, First Floor, Baton Rouge, Louisiana.

I. Call to Order

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

II. Roll Call

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

Sidney W. Degan, III, Chairman
J. Todd Hollenshead, Vice-Chairman *(left after Executive Session)*
Andrew Young, Secretary Gray's Designee
Robert D. Watkins
Magnus J. "Jake" Arceneaux IV
Matthew G. Moncla
Charles W. "Wes" Shepherd Sr.
Clifton Dale Sittig
Billy A. Busbice, Jr. *(left after Executive Session)*

The following members were recorded as absent:

Benjamin C. Bienvenu
Richard A. Nelson, Governor Landry's Designee

The Chairman announced that a quorum was established.

III. Pledge of Allegiance

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

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IV. Approval of the April 9, 2025 Minutes

The Chairman stated that the next order of business was the approval of the April 9, 2025 Minutes.

A motion was made by Mr. Young adopt the April 9, 2025 Minutes as submitted, and to waive reading said minutes in entirety. His motion was seconded by Mr. Arceneaux and unanimously adopted by the Board. No public comments were made at this time.

V. Staff Reports

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

a) Lease Review Report – Presented by Jason Talbot, Petroleum Scientist Manager, Geology and Engineering Division

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

c) Nomination and Tract Report – Presented by Greg Roberts, Energy Lands Director, Energy Lands Division

d) Legal and Title Controversy Report – Presented by Greg Roberts, Energy Lands Director, Energy Lands Division

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

a) LEASE REVIEW REPORT
May 14, 2025
(Resolution No. 25-05-001)

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 954 active State Leases containing approximately 413,353 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 94 leases covering approximately 45,910 acres for lease maintenance and development.

II. BOARD REVIEW

1. Mr. Jason Talbot with the Office of Mineral Resources (OMR Staff) gave a report to the Board on Henergy Caddo Pine Island LLC (Henergy), Lessee and field operator of State Lease 173 Caddo Pine Island Field, Caddo Parish. At the February 12, 2025 meeting, the Board deferred further lease discussions to occur between OMR Staff and Henergy within sixty (60) days. Lease discussions included the release of non-productive acreage by Henergy and their return to their well plug & abandonment obligations. Despite efforts by Staff to schedule a meeting for discussions, Henergy has been unresponsive.

   Lee Carr, attorney for Henergy, as well as Christopher Haas and Courtney Haas, representatives of Henergy, appeared before the Board to discuss lease development activities and plug and abandonment obligations of non-producing wells over the lease.

   Upon motion of Mr. Watkins, seconded by Mr. Sittig, and by unanimous vote of the Board, the Board deferred this matter for an additional thirty (30) days to allow additional time for OMR Staff and Henergy to meet and further discuss this matter and report back to the Board at its next meeting to be held on June 11, 2025. **(Resolution No. 25-05-001)**

III. FORCE MAJEURE

There were no Force Majeure items brought before the Board.

b) AUDIT REPORT
May 14, 2025
(Resolution No. 25-05-002)

The Board heard the report of Ms. Taletha Shorter, Audit Director, on Wednesday, May 14, 2025, relative to the following:

As of April 30, 2025, field audit collections totaled $161,512.28 in royalty exceptions. In the month of April, 1 audit was closed. The current number of open royalty audits is 33.

Royalties collected in April 2025 totaled $17,404,880.51. Fiscal Year to Date totaled $116,512,550.64, as compared to last year's Fiscal Year to Date Royalties of $136,021,573.41 as of April 30, 2024.

Monthly state royalty reports submitted in April totaled 274 which include 107 SR1s for oil, 148 SR2s for gas and 19 SR5s for plant products.

Items on the report are as follows:

1. Installment payment plan request from Torrent Gulf Coast III, LLC for outstanding royalty.

   Informational only.

2. Staff report to the Board that the election for May 2025 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. Watkins, the Board voted unanimously to acknowledge and approve the election of the May 2025 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. 25-005-002)**

c) NOMINATION AND TRACT REPORT
May 14, 2025
(Resolution No. 25-05-003)

The Board heard the report of Mr. Greg Roberts on Wednesday, May 14, 2025, relative to nominations received in the Office of Mineral Resources for the July 9, 2025 Mineral Lease Sale and other matters as follows:

I. PRESENT LEASE SALE

A. Approval by the State Mineral and Energy Board (Board) was previously granted to the Staff of the Office of Mineral Resources (OMR) to process and advertise the two (2) tracts that were nominated for the May 14th, 2025 Mineral Lease Sale.

By comparison, OMR received thirty-seven (37) nominations for advertisement concerning the May 8th, 2024 Mineral Lease Sale.

II. FUTURE LEASE SALE

A. Three (3) nominations for advertisement were received by OMR for the July 9, 2025 Mineral Lease Sale.

Staff recommended that the Board grant authority to advertise the three (3) nominations received by OMR for the July 9, 2025 Mineral Lease Sale.

Based upon Staff's recommendation, and on motion of Mr. Young, seconded by Mr. Arceneaux, and by unanimous vote of the Board, the Board granted authority to advertise all such tracts that have been received by OMR as well as any tracts that have been previously advertised and rolled over, and to otherwise approve the Nomination and Tract Report. **(Resolution No. 25-05-003)**

d) LEGAL & TITLE CONTROVERSY REPORT

May 14, 2025
(Resolution Nos. 25-05-004 and 25-05-005)

1. A request by Paloma Natural Gas, LLC (Paloma) for an extension of the primary term of State Lease No. 22093 for an additional two (2) years. State Lease No. 22093, effective August 10, 2022, provides for a three (3) year primary term. As per Article 2(B) of State Lease No. 22093, if the Lessee is not in default, they may apply to the Board for an extension of the primary term by up to two (2) additional years.

   Mr. Roberts reported that OMR Staff reviewed State Lease No. 22093 and confirmed that Paloma is not in default of its terms.

   Staff recommended that the Board grant a two (2) year extension of the primary term with all other terms of State Lease No. 22093 remaining unchanged.

   Upon motion of Mr. Arceneaux, seconded by Mr. Young, the Board voted unanimously to grant Paloma's request for a two (2) year extension of the primary term for State Lease No. 22093 with all other terms of State Lease No. 22093 remaining unchanged. There were no comments from the public on this matter. **(Resolution No. 25-05-004)**

2. A discussion of proposed guidelines and procedures to acquire an operating agreement from the State Mineral and Energy Board ("Board") for permanent sequestration of carbon dioxide beneath state-owned land and water bottoms.

   Mr. Roberts reported that the guidelines are intended to provide transparency and clarity to interested parties and equip the Board with the information necessary to select proposals that best serve the interests of the State of Louisiana.

   Mr. Roberts further reported that after review and consideration of public comments received, OMR Staff recommended that the Board approve and adopt the proposed guidelines and procedures presented for final approval at today's meeting of the Board.

   Upon motion of Mr. Watkins, seconded by Mr. Busbice, the Board voted unanimously to approve and adopt the proposed guidelines and procedures to acquire an operating agreement for permanent sequestration of carbon dioxide beneath state-owned land and water bottoms. There were no comments from the public on this matter. **(Resolution No. 25-05-005)**

   The approved guidelines and procedures, titled "Carbon Dioxide Sequestration Operating Agreement Procurement Guidelines" has been attached hereto and made a part of the Minutes of this meeting of the Board and has also been published on the website of the Office of Mineral Resources.

VI. 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 a roll call of the Board Members, the Board went into Executive Session at 10:42 a.m.

Upon a roll call of the Board Members, the Board reconvened in open session at 12:42 p.m. for consideration of the following matters discussed in Executive Session:

a. A discussion of revised terms for an Operating Agreement with Energy Limited Partners, LLC covering land located within the Empire Field in Plaquemines Parish, Louisiana

   Upon motion of Mr. Shepherd, seconded by Mr. Hollenshead, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to reject the revised offer, place the acreage back into commerce, and to nominate the tract for the upcoming lease sale. **(Resolution No. 25-05-006)**

b. A discussion of ongoing negotiations with Torrent Gulf Coast III, LLC to resolve demand for outstanding royalties under State lease Nos. 1227, 15536, 16610, and 20433

   Upon motion of Mr. Hollenshead, seconded by Mr. Watkins, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to continue negotiations to settle and resolve the demand for outstanding royalties based on discussions held in Executive Session. **(Resolution No. 25-05-007)**

c. A discussion of ongoing negotiations with Jefferson Island Storage & Hub, LLC regarding the terms of Operating Agreement A0309 and the state's outstanding demand for funds owed to the state

   This discussion was informational only, and no Board action was taken.

d. A discussion of potential claims relating to Cooperative Agreement 20-004 between the Office of Conservation and Louisiana Oilfield Restoration Association, Inc.

   This discussion was informational only, and no Board action was taken.

e. An update on settlement negotiations with Nowotney, et al and Cattle Farms, et al concerning an ownership dispute related to the specific water bottoms within unit tracts 1A, 1B, 3A, 3B, and 3C in the WB 8-11 RA SU unit in West Bay Field, Plaquemines Parish, Louisiana

   This discussion was informational only, and no Board action was taken.

f. A discussion of pending offers to settle the following legal matters:

   - BPX Properties v. Moss and Magnolia, Docket No. 161,900, 26th JDC, Bossier Parish; Adversary Proceeding 21-01009, Unit HA RA SU 70
   - BHP Billiton Petroleum Properties v. Hassell Investments, Docket No. 148,080, 26th JDC, Bossier Parish; Adversary Proceeding 21-01006, Unit HA RA SU 71
   - BHP Billiton Petroleum Properties v. Caspiana Minerals, Docket No. 156,336, 26th JDC, Bossier Parish; Adversary Proceeding 21-01008, Unit HA RB SUQ
   - BHP Billiton Petroleum Properties v. Rives Plantation, Docket No. 583,940, 1st JDC, Caddo Parish; Adversary Proceeding 21-01004, Unit HA RB SUDD
   - BHP Billiton Petroleum Properties v. Hosier Properties, Docket No. 587,839, 1st JDC, Caddo Parish; Adversary Proceeding 21-01002, Unit HA RA SUW
   - BHP Billiton Petroleum Properties v. Ernest Turner, Docket No. 145,660, 26th JDC, Bossier Parish; Adversary Proceeding 21-01005, Unit HA RA SU 133

   Upon motion of Mr. Shepherd, seconded by Mr. Watkins, and by unanimous vote of the Board, the State Mineral and Energy Board voted to reject the current standing offer from BPX and Expand and granted authority to Staff and the Attorney General's office to draft a counteroffer of settlement to be presented to the Board at the June 11, 2025 meeting. **(Resolution No. 25-05-008)**

g. Technical Briefing of Bids

VII. Docket Review Report – Presented by Greg Roberts, Energy Lands Director, Energy Lands Division

VII. DOCKET REVIEW REPORT

May 14, 2025
(Resolution No(s). 25-05-009 through 25-05-015)

The Board heard the report from Greg Roberts on Wednesday, May 14, 2025, relative to the following:

Category A: State Agency Leases
There were no items in this category

Category B: State Lease Transfers
Docket Item Nos. 1 through 4

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

Category D: Advertised Proposals
Docket Items Nos. 1 through 3

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

Category B: State Lease Transfers
Approve Docket Item Nos. 1 through 3
(Resolution Nos. 25-05-009 through 25-05-011)

Defer Docket Item No. 4 until the June 11, 2025 Meeting
(Resolution No. 25-05-012)

Category D: Advertised Proposals
Approve Docket Items Nos. 1 through 3
(Resolution Nos. 25-05-013 through 25-05-015)

VIII. Awarding of Leases

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

Mr. Talbot reported that two (2) tracts were up for bid at today's lease sale with a total of two (2) bids received.

Staff reported that the two (2) bids received on the tracts were recommended for approval at today's lease sale.

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

Tract 45930
(Entire: 120.000 acres)

Bidder:	Cypress Energy Partners, LLC
Primary Term:	Three (3) years
Cash Payment:	$6,000.00
Annual Rental:	$3,000.00
Royalties:	20% on oil and gas 20% on other minerals
Additional Consideration:	None

Tract 45931
(Entire: 15.980 acres)

Bidder:	Cypress Energy Partners, LLC
Primary Term:	Three (3) years
Cash Payment:	$51,935.00
Annual Rental:	$25,967.50
Royalties:	25% on oil and gas 25% on other minerals
Additional Consideration:	None

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

This concluded the awarding of the leases.

IX. Request for Authorization of Actions related to Administration and Management of Financial Security – Presented by John Shiroda, NRTA Director

X. New Business

a. Presentation of Southeastern Louisiana University's Environmental Monitoring Program – Dr. Kyle Piller and Dan McCarthy, SELU

This item was informational only. No Board action was taken.

XI. Announcements

Mr. Young stated that the total cash payments received for the May 14, 2025 Lease Sale totaled $57,935.00, bringing the fiscal year-to-date total to $5,746,850.99.

XII. Adjournment

The Chairman then stated that there being no further business to come before the Board, upon motion of Mr. Sittig, seconded by Mr. Moncla, the meeting was adjourned at 1:21 p.m.

Respectfully Submitted,

ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD

Louisiana State Mineral and Energy Board

RESOLUTION NO. 25-05-016
[EXECUTIVE SESSION]

WHEREAS, John Shiroda, Director of the Natural Resources Trust Authority (NRTA), requested authorization from the State Mineral and Energy Board (Board) related to administration and management of financial security;

WHEREAS, the NRTA requested authorization from the Board to take all actions necessary to open accounts pursuant to State policy with the Oilfield Site Restoration Fund in order to deposit existing funds and renewals from operators that are in the Louisiana Oilfield Restoration Association Program;

WHEREAS, the NRTA requested authorization to increase renewal rates for policies issued on or after September 1, 2025 to 5.0% with an increase of 1.25% for each renewal period thereafter with a cap of 10%;

WHEREAS, the NRTA requested authorization from the Board to establish and implement invoicing and collection procedures;

WHEREAS, the NRTA requested authorization from the Board for implementation of a protocol that no payments for policies will be implemented and that policy amounts will be due in advance with direct compliance to suspend operators R4 and escrow the funds for any operators until full payment is received.

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

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Natural Resources Trust Authority to take all actions necessary to open accounts pursuant to State policy with the Oilfield Site Restoration Fund in order to deposit existing funds and renewals from operators that are in the Louisiana Oilfield Restoration Association Program;

NOW THEREFORE, BE IT FURTHER RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Natural Resources Trust Authority to increase renewal rates for policies issued on or after September 1, 2025 to 5.0% with an increase of 1.25% for each renewal period thereafter with a cap of 10%;

NOW THEREFORE, BE IT FURTHER RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Natural Resources Trust Authority to establish and implement invoicing and collection procedures;

NOW THEREFORE, BE IT FURTHER RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Natural Resources Trust Authority to establish protocol that no payment plans for policies will be implemented and that policy amounts will be due in advance with direct compliance to suspend operators R4 and escrow the funds for any operators until full payment is received.

NOW THEREFORE, BE IT FURTHER RESOLVED that the State Mineral and Energy Board does hereby grant authority to the Natural Resources Trust Authority to re-evaluate the program in six (6) months.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 14th day of May, 2025 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the State Mineral and Energy Board and is now in full force and effect.

ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD