



DEPARTMENT OF CONSERVATION AND ENERGY

REGULAR MEETING JANUARY 14, 2026

The Regular Meeting of the State Mineral and Energy Board was held on Wednesday, January 14, 2026, beginning at 9:38 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
Mark Normand, Jr., C&E Undersecretary
Magnus J. "Jake" Arceneaux IV
Mark E. Barton
Jeffery C. Delahoussaye
Charles W. "Wes" Shepherd Sr.
Robert D. Watkins
Michael J. Tanner

The following member was recorded as absent:
Billy A. Busbice, Jr.
Jarrod J. Coniglio, Governor Landry's Designee

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 December 10, 2025 Minutes

The Chairman stated that the next order of business was the approval of the December 10, 2025 Minutes.

A motion was made by Mr. Arceneaux to adopt the December 10, 2025 Minutes as submitted, and to waive reading said minutes in entirety. His motion was seconded by Mr. Delahoussaye 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

January 14, 2026

The Board heard the report of Mr. Jason Talbot, Petroleum Scientist Manager, on Wednesday, January 14, 2026, relative to the following:

I. RESOURCE ANALYTICS DIVISION REVIEW

According to the SONRIS database, there is a total of approx. 862,602 state acres under contract (i.e., state leases, operating agreements). Shown below is each category:

Oil & Gas Leases

- 922 SL - approx. 385,583 acres.
 - Reviewed 92 leases approx. 37,469 acres

Oil & Gas Operating Agreements

- 72 OAs - approx. 8,386 acres
 - Reviewed 4 OAs approx. 69 acres

Gas Storage Operating Agreements

- 3 OAs – approx. 2,724 acres

Carbon Capture Storage Operating Agreements

- 13 OAs - approx. 406,216 acres

Wind Energy Operating Agreements

- 1 OA – approx. 59,693 acres

II. BOARD REVIEW

There were no State Lease items to brought before the Board.

III. FORCE MAJEURE

There were no Force Majeure items to brought before the Board.

b) AUDIT REPORT
January 14, 2026
(Resolution Nos. 26-01-001 and 26-01-002)

The Board heard the report of Ms. Taletha Shorter, Audit Director, on Wednesday, January 14, 2026, relative to the following:

I. INCOME MONTHLY STATISTICS REVIEW

- A. As of December 31, 2025, field audit collections totaled \$1,488,124.90, which includes \$1,250,594.40 in royalty collections and \$237,530.50 in interest. The current number of open royalty audits is 37.

Royalties collected in December 2025 totaled \$9,445,460.15 and Fiscal Year to Date \$68,534,047.06, as compared to last year's Fiscal Year to Date Royalties of \$65,836,991.37 as of December 31, 2025.

Monthly state royalty reports submitted in December totaled 218, which include 82 SR1s for oil, 117 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. A recoupment request from Talos Third Coast, LLC for an overpayment in the amount of \$36,230.81.

Upon motion of Mr. Shepherd, seconded by Mr. Delahoussaye, with Mr. Degan recusing himself, the Board voted to acknowledge and approve the recoupment request from Talos Third Coast, LLC for an overpayment in the amount of \$36,230.81. **(Resolution No. 26-01-001)**

- B. Ms. Shorter reported to the Board that the election for January 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 January 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. 26-01-002)**

c) NOMINATION AND TRACT REPORT

January 14, 2026
(Resolution No. 26-01-003)

The Board heard the report of Mr. Greg Roberts on Wednesday, January 14th, 2026, relative to nominations received in the Office of State Resources for the March 11th, 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 seventeen (17) tracts that were nominated for the January 14, 2026 Mineral Lease Sale.

By comparison, OSTR received thirty-four (34) nominations for advertisement concerning the January 8th, 2025 Mineral Lease Sale.

II. FUTURE LEASE SALE

- A. Fourteen (14) nominations for advertisement were received by OSTR for the March 11th, 2026 Mineral Lease Sale.

By comparison, OSTR advertised three (3) nominations associated with the March 12th, 2025 Mineral Lease Sale.

Based on Staff's recommendation, and on motion of Mr. Arceneaux, seconded by Mr. Watkins, 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. 26-01-003)**.

d) LEGAL & TITLE CONTROVERSY REPORT

January 14, 2026
(Resolution No. 26-01-004)

The Board heard the report of Mr. Greg Roberts, Petroleum Lands Director, on Wednesday, January 14, 2026, relative to the following:

1. A request by Shelf Oil & Gas, LLC (Shelf) for a two (2) year extension of the primary term of State Lease No. 22134.

The lease became effective on March 8, 2023, and provides for a three-year primary term. Under Article 2(B) of State Lease No. 22134, if the Lessee is not in default, they may apply to the Board for an extension of the primary term for up to two (2) additional years.

Staff reviewed State Lease No. 22134 and confirmed that Shelf is not in default of its terms.

Upon motion of Mr. Delahoussaye, seconded by Mr. Arceneaux, the Board voted unanimously to grant a two (2) year extension of the primary term pending the Board's acceptance of a mutually agreeable form of lease amendment. All other terms of State Lease No. 22134 will remain unchanged. There were no other comments received from the public on this matter. **(Resolution No. 26-01-004)**

e) DOCKET REVIEW REPORT

January 14, 2026
(Resolution No(s). 26-01-005 through 26-01-007)

The Board heard the report from Greg Roberts on Wednesday, January 14, 2026, relative to the following:

- Category A: State Agency Leases
There were no items for this category
- Category B: State Lease Transfers
Docket Item B.1
- Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category
- Category D: Advertised Proposals
Docket Items D.1 (26-01) through D.2 (26-02)

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

- Category B: State Lease Transfers
Approve Docket Item B.1 (26-01)
(Resolution No. 26-01-005)
- Category D: Advertised Proposals
Approve Docket Items D.1 (26-01) through D.2 (26-02)
(Resolution Nos. 26-01-006 through 26-01-007)

- VI. Natural Resources Trust Authority Report** – Roby Fulkerson, Chief of Staff for the Office of Permitting and Compliance, presented the report for the Natural Resources Trust Authority (NRTA), including the following:

I. Oil Field Site Restoration Program

- 1.) OSR monthly report for the Board

Informational only, and no Board action was required.

II. Louisiana Oil Field Restoration Association Program

- 1.) Update on monthly invoicing and collection amounts

Informational only, and no Board action was required.

- 2.) List of operators delinquent for R4 suspension

Informational only, and no Board action was required.

III. Staff Updates and Introductions

Mr. Young introduced Tanner Magee as the new Director of the Natural Resources Trust Authority, and Jody Broussard as the new Director of the Oilfield Site Restoration Program, to the State Mineral and Energy Board.

VII. Executive Session

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

Upon motion of Mr. Watkins, seconded by Mr. Delahoussaye, and upon a roll call vote of the Board Members, the Board went into Executive Session at 10:06 a.m.

Upon a roll call vote of the Board Members, the Board reconvened in open session at 11:25 a.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion and request for authority to settle the full scope of Hilcorp Energy Company Audit #973

Upon motion of Mr. Hollenshead, seconded by Mr. Watkins, with Mr. Normand recusing himself due to his absence from Executive Session discussions, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to settle as discussed in Executive Session. (**Resolution No. 26-01-008**)

b. Technical Briefing on Bids

VIII. Awarding of Leases

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

Mr. Talbot reported that seventeen (17) tracts were up for bid at today's lease sale with a total of seven (7) bids received.

Staff reported that all bids received on the tracts were recommended for approval at today's lease sale.

Upon motion of Mr. Arceneaux, and seconded by Mr. Barton, the Board voted to accept Staff's recommendations regarding the following bid and award leases on the following tract:

Tract 45991
(Portion: 7.000 acres)

<u>Bidder:</u>	Cypress Energy Partners, LLC
<u>Primary Term:</u>	Three (3) years
<u>Cash Payment:</u>	\$8,750.00
<u>Annual Rental:</u>	\$4,375.00
<u>Royalties:</u>	20% on oil and gas 20% on other minerals
<u>Additional Consideration:</u>	None

Tract 45995
(Entire: 497.000 acres)

<u>Bidder:</u>	Tri-Star CBI Deep LLC
<u>Primary Term:</u>	Three (3) years
<u>Cash Payment:</u>	\$40,257.00
<u>Annual Rental:</u>	\$20,128.50
<u>Royalties:</u>	16.666% on oil and gas 16.666% on other minerals
<u>Additional Consideration:</u>	None

Tract 45999

(Portion: 213.000 acres)

<u>Bidder:</u>	Tri-Star CBI Deep LLC
<u>Primary Term:</u>	Three (3) years
<u>Cash Payment:</u>	\$12,993.00
<u>Annual Rental:</u>	\$6,496.50
<u>Royalties:</u>	16.666% on oil and gas 16.666% on other minerals
<u>Additional Consideration:</u>	None

Tract 46003

(Portion: 528.110 acres)

<u>Bidder:</u>	SMTP Energy, LLC
<u>Primary Term:</u>	Three (3) years
<u>Cash Payment:</u>	\$39,608.25
<u>Annual Rental:</u>	\$19,804.13
<u>Royalties:</u>	20.5% on oil and gas 20.5% on other minerals
<u>Additional Consideration:</u>	None

Tract 46004

(Entire: 11.940 acres)

<u>Bidder:</u>	Cypress Energy Partners, LLC
<u>Primary Term:</u>	Three (3) years
<u>Cash Payment:</u>	\$38,805.00
<u>Annual Rental:</u>	\$19,402.50
<u>Royalties:</u>	25% on oil and gas 25% on other minerals
<u>Additional Consideration:</u>	None

Tract 46006

(Entire: 34.500 acres)

<u>Bidder:</u>	Petroleum Partners, L.L.C.
<u>Primary Term:</u>	Three (3) years
<u>Cash Payment:</u>	\$69,862.50
<u>Annual Rental:</u>	\$36,225.00
<u>Royalties:</u>	22.6% on oil and gas 22.6% on other minerals
<u>Additional Consideration:</u>	None

Tract 46007
(Entire: 15.000 acres)

<u>Bidder:</u>	Petroleum Partners, L.L.C.
<u>Primary Term:</u>	Three (3) years
<u>Cash Payment:</u>	\$30,375.00
<u>Annual Rental:</u>	\$15,750.00
<u>Royalties:</u>	22.6% on oil and gas 22.6% on other minerals
<u>Additional Consideration:</u>	None

This concluded the awarding of the leases.

IX. New Business

There was no new business brought before the Board.

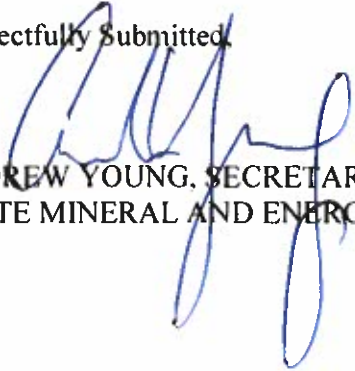
X. Announcements

Mr. Young stated that the total cash payments received for the January 14, 2026 Lease Sale totaled \$240,650.75, bringing the fiscal year-to-date total to \$1,962,817.22.

XI. Adjournment

The Chairman then stated that there being no further business to come before the Board, upon motion of Mr. Shepherd, seconded by Mr. Hollenshead, the meeting was adjourned at 11:31 a.m.

Respectfully Submitted,


ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD