



## DEPARTMENT OF CONSERVATION AND ENERGY

### REGULAR MEETING NOVEMBER 12, 2025

The Regular Meeting of the State Mineral and Energy Board was held on Wednesday, November 12, 2025, beginning at 9:34 a.m. in the LaBelle Room of the LaSalle Building, 617 N. 3<sup>rd</sup> 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  
Billy A. Busbice, Jr.  
Mark E. Barton  
Jeffery C. Delahoussaye  
Charles W. "Wes" Shepherd Sr.  
Robert D. Watkins

The following member was recorded as absent:

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.

#### **IV. Approval of the October 8, 2025 Minutes**

The Chairman stated that the next order of business was the approval of the October 8, 2025 Minutes.

A motion was made by Mr. Delahoussaye to adopt the October 8, 2025 Minutes as submitted, and to waive reading said minutes in entirety. His motion was seconded by Mr. Hollenshead 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**

November 12, 2025  
(Resolution No. 25-11-001)

The Board heard the report of Mr. Jason Talbot, Petroleum Scientist Manager, on Wednesday, November 12, 2025, relative to the following:

**I. RESOURCE ANALYTICS DIVISION STAFF REVIEW**

According to the SONRIS database, there are 916 active State Leases containing approximately 384,721 acres. Since the last Lease Review Report, the Resources Analytics Division reviewed 109 leases covering approximately 32,480 acres for lease maintenance and development.

Mr. Talbot also reported that in 2015 (10 years ago), there were 1,603 active State Leases containing approximately 700,000 acres.

Mr. Talbot also introduced Matthew Aranyosi, Petroleum Scientist Manager, to the Board and welcomed him to the Office of State Resources.

**II. BOARD REVIEW**

There were no State Lease items brought before the Board.

**III. FORCE MAJEURE**

1. Perdido Energy (PE) requested recognition of a force majeure event for State Lease No. 18935 ("the Lease") located in the Black Bay Field, Plaquemines Parish.

Mr. Talbot reported the following to the Board for consideration regarding this request:

- The well that maintains the Lease, identified as the 9450 RA SUA; SL 195 QQ No. 116, requires a source of gas to produce the oil.
- Lift gas was supplied by another well located on State Lease No. 195, but the well stopped producing.
- Shortly thereafter, the gas supply well was recompleted allowing some gas to return to the field.
- PE has uncertainty that the well can consistently provide sufficient gas to the field, and a search is ongoing for an alternative gas source.

Upon motion of Mr. Shepherd, seconded by Mr. Watkins, the Board voted unanimously to hereby recognize that a force majeure event has occurred affecting State Lease No. 18935 and that PE provide quarterly updates to OSTR Staff on their efforts to provide a sustainable source of gas to this Lease and the field. No comments were received by the public on this matter. **(Resolution No. 25-11-001)**

**b) AUDIT REPORT**  
November 12, 2025  
(Resolution Nos. 25-11-002 and 25-11-003)

The Board heard the report of Ms. Taletha Shorter, Audit Director, on Wednesday, November 12, 2025, relative to the following:

**I. INCOME MONTHLY STATISTICS REVIEW**

- A. As of October 31, 2025, field audit collections totaled \$1,455,317.86, which includes \$1,217,787.36 in royalty exceptions and \$237,530.50 in interest. Two audits were engaged bringing the current number of open royalty audits to 37.

Royalties collected in the month of October totaled \$12,229,985.69 and Fiscal Year to Date totaled \$47,176,624.42 as compared to \$48,576,576.76 at this same time last year.

Monthly state royalty reports submitted in October totaled 261, which included 93 for oil, 146 for gas and 22 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 Square Mile Energy, LLC for an overpayment in the amount of \$26,694.77.

Upon motion of Mr. Shepherd, seconded by Mr. Delahoussaye, the Board voted unanimously to authorize and direct the OSTR Income Director to effectuate the credit adjustment of \$26,694.77 to Square Mile Energy, LLC on a one-time or lump sum basis, or alternatively, by terms set by the OSTR Income Director that are legally and without prejudice to any other rights of the State of Louisiana. (**Resolution No. 25-11-002**)

- B. Ms. Shorter reported to the Board that the election for November 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 November 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. 25-11-003**)

**c) NOMINATION AND TRACT REPORT**

November 12, 2025  
(Resolution No. 25-11-004)

The Board heard the report of Mr. Greg Roberts on Wednesday, November 12, 2025, relative to nominations received in the Office of State Resources for the January 14th, 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 twenty (20) tracts that were nominated for the November 12, 2025 Mineral Lease Sale.

By comparison, OSTR received fifteen (15) nominations for advertisement concerning the November 13, 2024 Mineral Lease Sale.

**II. FUTURE LEASE SALE**

- A. Seventeen (17) nominations for advertisement were received by OSTR for the January 14, 2026 Mineral Lease Sale.

By comparison, OSTR advertised thirty-four (34) nominations associated with the January 8th, 2025 Mineral Lease Sale.

Based on Staff's recommendation, and on motion of Mr. Shepherd, 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 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. 25-11-004**).

**d) LEGAL & TITLE CONTROVERSY REPORT**

November 12, 2025  
(Resolution Nos. 25-11-026 and 25-11-027)

The Board heard the report of Mr. Greg Roberts, Petroleum Lands Director, on Wednesday, November 12, 2025, relative to the following:

1. A request by Kenosis I, LLC (Kenosis) that the State Mineral and Energy Board (Board), as agent of the State of Louisiana, consider operating agreements covering State-owned lands and water bottoms located in St. Bernard Parish, Louisiana. State Lease Nos. 2220, 2221, 4039, 4147, 6618, 12503, 12789, 13306, and 16158 have all expired based on their terms. These State Leases covered approximately 8,383.61 acres of State-owned lands and water bottoms. All 189 wellbores located within these expired State Leases have recently been added to the State's orphan well program.

Mr. Roberts reported that Kenosis informed the Office of State Resources (OSTR Staff) that it has applied to become the operator of these orphaned wells with the Department of Conservation and Energy. Kenosis requested that the Board authorize OSTR Staff to remove the acreage described in the aforementioned State Leases from commerce and begin negotiations to enter into operating agreements, allowing Kenosis to continue the application process to remove the wells from the orphan well program and assume operatorship.

Upon motion of Mr. Busbice, seconded by Mr. Watkins, with Mr. Degan recusing himself, the Board voted to authorize OSTR Staff to remove the acreage described in the aforementioned State Leases from commerce and begin negotiations to enter into one or more operating agreements, authorizing Kenosis to continue the application process to remove the wells from the orphan well program and assume operatorship. Upon request for comments, Beau Blake, Mike Blake and David Venicor from Kenosis addressed the Board. There were no other comments received from the public on this matter.  
**(Resolution No. 25-11-026)**

2. A request by LDP 200, LLC (LDP) that the State Mineral and Energy Board (Board), as agent of the State of Louisiana, consider an operating agreement covering State-owned lands and water bottoms located in Lafourche Parish, Louisiana.

Mr. Roberts reported that SL 18651 No. 1 Well was successfully completed under the terms of State Lease No. 18651 on January 20, 2007, and produced until November 22, 2014, when it was no longer economically viable. LDP has reviewed the well log and surrounding geology and would like to recomplete the SL 18651 No. 1 Well under the terms of an operating agreement with the State of Louisiana.

Upon motion of Mr. Arceneaux, seconded by Mr. Shepherd, the Board voted unanimously to authorize OSTR Staff to remove the acreage described in State Lease No. 18651 from commerce and begin negotiations to enter into operating agreement. There were no comments received from the public on this matter. **(Resolution No. 25-11-027)**

**e) DOCKET REVIEW REPORT**  
November 12, 2025  
(Resolution Nos. 25-11-005 through 25-11-020)

The Board heard the report from Greg Roberts on Wednesday, November 12, 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 12
- Category C: Department of Wildlife & Fisheries State Agency Lease  
There were no items for this category
- Category D: Advertised Proposals  
Docket Item Nos. 1 through 4

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

- Category B: State Lease Transfers  
Approve Docket Item Nos. 1 through 12  
(Resolution Nos. 25-11-005 through 25-11-016)
- Category D: Advertised Proposals  
Approve Docket Item Nos. 1 through 4  
(Resolution Nos. 25-11-017 through 25-11-020)



**VI. Natural Resources Trust Authority Report – Presented by John Shiroda, NRTA Director**

Mr. Shiroda and Roby Fulkerson, Executive Director of the Oilfield Site Restoration Program (OSR) 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.

2.) Contractor applications for OSR work from previous meeting and new applicants

There were no contractor applications, and no Board action was required.

3.) Directive to submit a “Financial Security Coverage Increase” plan in response to the Legislative Auditor’s report on Oilfield Site Restoration operations to the Secretary of the Louisiana Department of Conservation and Energy

A motion was made by Mr. Busbice to grant approval to move forward with the “Financial Security Coverage Increase” plan to be submitted to the Secretary. His motion was seconded by Mr. Shepherd and unanimously adopted by the Board. No public comments were made at this time. **(Resolution No 25-11-021)**

**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.

**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 a motion by Mr. Barton, seconded by Mr. Watkins, and a roll call vote of the Board Members, the Board went into Executive Session at 10:47 a.m.

Upon a roll call vote of the Board Members, the Board reconvened in open session at 12:37 p.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion of claims relating to Cooperative Agreement No. 20-004 between the Office of Conservation and the Louisiana Oilfield Restoration Association, Inc.

Informational only, and no Board action was required.

- b. An update on the status of a demand issued to Cox Oil, LLC for reasonable development or release of State Lease 195 in Quarantine Bay Field, Plaquemines Parish, Louisiana

Upon motion of Mr. Shepherd, seconded by Mr. Arceneaux, and by unanimous vote of the Board, the State Mineral and Energy Board granted continued authorization to the Attorney General's office to prepare for a lawsuit, if necessary, and to defer the filing of the lawsuit for thirty (30) days in order to allow Cox Oil, LLC to respond to the demand letter. **(Resolution No. 25-11-022)**

- c. A discussion of and request for authority to accept the settlement methodology on the mineral production allocation for the *Irene S. Kohn and Joseph J. McDole v. BPX Properties (NA) LP and Comstock Oil & Gas, LLC* litigation

Upon motion of Mr. Shepherd, seconded by Mr. Busbice, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to accept the settlement methodology based on discussion held in Executive Session. **(Resolution No. 25-11-023)**

- d. A discussion of and request for authority to accept the settlement offer on the mineral production audit of Justiss Oil Company, Inc. for audit period January 1984 through December 2024

Upon motion of Mr. Normand, seconded by Mr. Shepherd, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to accept the settlement offer based on discussion held in Executive Session. **(Resolution No. 25-11-024)**

- e. A discussion of a request by BPX Operating Company (BPX) to extend the time to respond to the State's demand letter regarding the nonpayment of royalties associated with production under State Lease Nos. 20114 and 19763, which covers State-owned land and water bottoms within the HA RA SUGG, the HA RB SUL, and the HA RA SUFF, as described in the Department of Conservation and Energy's Order Nos. 909-H-14, 191-H-26, and 191-H-48, located in the Gahagan Field, Red River Parish, Louisiana and the Caspiana Field, Bossier and Caddo Parishes, Louisiana. BPX is requesting that the State extend its deadline to respond from December 1, 2025 through April 1, 2026.

Upon motion of Mr. Arceneaux, seconded by Mr. Normand, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office accept the request to extend the deadline to respond to the State's demand letter through April 1, 2026. **(Resolution No. 25-11-025)**

f. Technical Briefing on Bids

**VIII. Awarding of Leases**

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

Mr. Talbot reported that twenty (20) tracts were up for bid at today's lease sale with a total of eleven (11) 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. Hollenshead, the Board voted to accept Staff's recommendations regarding the following bids and award leases on the following tracts:

**Tract 45966**  
(Entire: 113.970 acres)

|                                  |                                                         |
|----------------------------------|---------------------------------------------------------|
| <u>Bidder:</u>                   | Cantium, LLC                                            |
| <u>Primary Term:</u>             | Five (5) years                                          |
| <u>Cash Payment:</u>             | \$10,257.30                                             |
| <u>Annual Rental:</u>            | \$5,128.65                                              |
| <u>Royalties:</u>                | 16.66667% on oil and gas<br>16.66667% on other minerals |
| <u>Additional Consideration:</u> | None                                                    |

**Tract 45967**  
(Entire: 371.060 acres)

|                                  |                                                         |
|----------------------------------|---------------------------------------------------------|
| <u>Bidder:</u>                   | Cantium, LLC                                            |
| <u>Primary Term:</u>             | Five (5) years                                          |
| <u>Cash Payment:</u>             | \$27,829.50                                             |
| <u>Annual Rental:</u>            | \$13,914.75                                             |
| <u>Royalties:</u>                | 16.66667% on oil and gas<br>16.66667% on other minerals |
| <u>Additional Consideration:</u> | None                                                    |

**Tract 45968**  
(Entire: 7.600 acres)

|                                  |                                                   |
|----------------------------------|---------------------------------------------------|
| <u>Bidder:</u>                   | Delta Exploration & Development Corporation       |
| <u>Primary Term:</u>             | Three (3) years                                   |
| <u>Cash Payment:</u>             | \$380.00                                          |
| <u>Annual Rental:</u>            | \$190.00                                          |
| <u>Royalties:</u>                | 18.75% on oil and gas<br>18.75% on other minerals |
| <u>Additional Consideration:</u> | None                                              |

**Tract 45969**  
(Entire: 3.000 acres)

|                                  |                                                 |
|----------------------------------|-------------------------------------------------|
| <u>Bidder:</u>                   | Thomas M. Kilgore, Jr.                          |
| <u>Primary Term:</u>             | Three (3) years                                 |
| <u>Cash Payment:</u>             | \$6,000.00                                      |
| <u>Annual Rental:</u>            | \$3,000.00                                      |
| <u>Royalties:</u>                | 22.5% on oil and gas<br>22.5% on other minerals |
| <u>Additional Consideration:</u> | None                                            |

**Tract 45970**  
(Portion: 43.000 acres)

|                                  |                                             |
|----------------------------------|---------------------------------------------|
| <u>Bidder:</u>                   | Magna Operating, LLC                        |
| <u>Primary Term:</u>             | Three (3) years                             |
| <u>Cash Payment:</u>             | \$7,525.00                                  |
| <u>Annual Rental:</u>            | \$3,762.50                                  |
| <u>Royalties:</u>                | 20% on oil and gas<br>20% on other minerals |
| <u>Additional Consideration:</u> | None                                        |

**Tract 45971**  
(Portion: 70.000 acres)

|                                  |                                             |
|----------------------------------|---------------------------------------------|
| <u>Bidder:</u>                   | Magna Operating, LLC                        |
| <u>Primary Term:</u>             | Three (3) years                             |
| <u>Cash Payment:</u>             | \$12,250.00                                 |
| <u>Annual Rental:</u>            | \$6,125.50                                  |
| <u>Royalties:</u>                | 20% on oil and gas<br>20% on other minerals |
| <u>Additional Consideration:</u> | None                                        |

**Tract 45974(1)**

(Portion: 229.830 acres)

|                                  |                                             |
|----------------------------------|---------------------------------------------|
| <u>Bidder:</u>                   | Mark A. O'Neal & Associates, Inc.           |
| <u>Primary Term:</u>             | Three (3) years                             |
| <u>Cash Payment:</u>             | \$31,256.88                                 |
| <u>Annual Rental:</u>            | \$15,628.44                                 |
| <u>Royalties:</u>                | 20% on oil and gas<br>20% on other minerals |
| <u>Additional Consideration:</u> | None                                        |

**Tract 45974(2)**

(Portion: 189.290 acres)

|                                  |                                             |
|----------------------------------|---------------------------------------------|
| <u>Bidder:</u>                   | Mark A. O'Neal & Associates Inc.            |
| <u>Primary Term:</u>             | Three (3) years                             |
| <u>Cash Payment:</u>             | \$25,743.44                                 |
| <u>Annual Rental:</u>            | \$12,871.72                                 |
| <u>Royalties:</u>                | 20% on oil and gas<br>20% on other minerals |
| <u>Additional Consideration:</u> | None                                        |

**Tract 45975**

(Portion: 112.720 acres)

|                                  |                                             |
|----------------------------------|---------------------------------------------|
| <u>Bidder:</u>                   | Mark A. O'Neal & Associates Inc.            |
| <u>Primary Term:</u>             | Three (3) years                             |
| <u>Cash Payment:</u>             | \$15,329.92                                 |
| <u>Annual Rental:</u>            | \$7,664.96                                  |
| <u>Royalties:</u>                | 20% on oil and gas<br>20% on other minerals |
| <u>Additional Consideration:</u> | None                                        |

**Tract 45984**

(Entire: 6.895 acres)

|                                  |                                             |
|----------------------------------|---------------------------------------------|
| <u>Bidder:</u>                   | Cypress Energy Partners, LLC                |
| <u>Primary Term:</u>             | Three (3) years                             |
| <u>Cash Payment:</u>             | \$34,475.00                                 |
| <u>Annual Rental:</u>            | \$17,237.50                                 |
| <u>Royalties:</u>                | 25% on oil and gas<br>25% on other minerals |
| <u>Additional Consideration:</u> | None                                        |

**Tract 45985**  
(Entire: 47.874 acres)

|                                  |                                             |
|----------------------------------|---------------------------------------------|
| <u>Bidder:</u>                   | USG Properties Haynesville LLC              |
| <u>Primary Term:</u>             | One (1) year                                |
| <u>Cash Payment:</u>             | \$71,811.00                                 |
| <u>Annual Rental:</u>            | \$0.00                                      |
| <u>Royalties:</u>                | 22% on oil and gas<br>22% on other minerals |
| <u>Additional Consideration:</u> | None                                        |

This concluded the awarding of the leases.

**X. New Business**

- a. Update on Department of Conservation and Energy FY 25-26 budget request for additional field audit and legal personnel – Presented by Andrew Young, Secretary

Informational only, and no Board action was required.

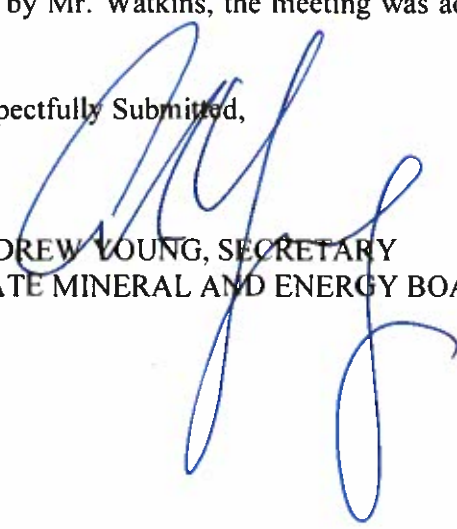
**XI. Announcements**

Mr. Young stated that the total cash payments received for the November 12, 2025 Lease Sale totaled \$242,858.04, bringing the fiscal year-to-date total to \$1,701,768.89.

**XII. Adjournment**

The Chairman then stated that there being no further business to come before the Board, upon motion of Mr. Shepherd, seconded by Mr. Watkins, the meeting was adjourned at 1:10 p.m.

Respectfully Submitted,

  
ANDREW YOUNG, SECRETARY  
STATE MINERAL AND ENERGY BOARD



# Louisiana State Mineral and Energy Board

RESOLUTION NO. 25-11-021  
[NATURAL RESOURCES TRUST AUTHORITY]

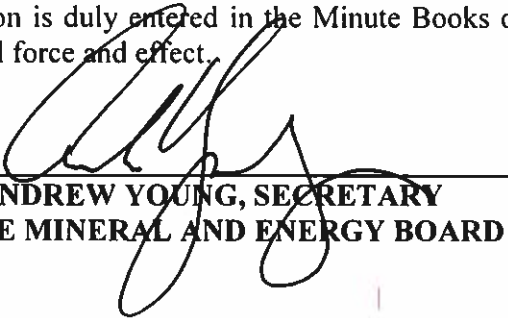
**WHEREAS**, John Shiroda, Executive Director of the Natural Resources Trust Authority (NRTA), presented a directive to submit a "Financial Security Coverage Increase" plan in response to the Legislative Auditor's report on Oilfield Site Restoration operations to the Secretary of the Louisiana Department of Conservation and Energy; and

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

**NOW THEREFORE, BE IT RESOLVED** that the State Mineral and Energy Board does hereby grant approval to move forward with the "Financial Security Coverage Increase" for the Secretary of the Louisiana Department of Conservation and Energy.

## CERTIFICATE

**I HEREBY CERTIFY** that the above is a true and correct copy of a Resolution adopted at a meeting on the 12<sup>th</sup> day of November, 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**