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ASSISTANT SECRETARY
MINERAL RESOURCES

STEVEN M. GIAMBRONE
INTERIM DIRECTOR
CONSERVATION

DEPARTMENT OF ENERGY AND NATURAL RESOURCES

REGULAR MEETING NOVEMBER 13, 2024

The Regular Meeting of the State Mineral and Energy Board was held on Wednesday, November 13, 2024, beginning at 9:41 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
Tyler P. Gray, DENR Secretary
Robert D. Watkins
Magnus J. "Jake" Arceneaux IV
Matthew G. Moncla
Charles W. "Wes" Shepherd Sr.
Clifton Dale Sittig
Benjamin C. Bienvenu
Billy A. Busbice, Jr. (arrived at 10:15 a.m.)

The following members were recorded as absent:

Richard A. Nelson, Governor Landry's Designee

The Chairman announced that a quorum was established.

The Chairman also acknowledged Mr. Benjamin C. Bienvenu's appointment to the Board.

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 9, 2024 Minutes

The Chairman stated that the next order of business was the approval of the October 9, 2024 Minutes.

A motion was made by Mr. Hollenshead to adopt the October 9, 2024 Minutes as submitted, and to waive reading said minutes in entirety. His motion was seconded by Mr. Shepherd and unanimously adopted by the Board. No public comments were made at this time.

V. Update on reorganization of the Department of Energy and Natural Resources and governance of the Natural Resources Trust Authority

Upon conclusion of the update on the reorganization of the Department of Energy and Natural Resources and governance of the Natural Resources Trust Authority, the State Mineral and Energy Board took the following action:

Upon motion of Mr. Shepherd, seconded by Mr. Arceneaux, and by unanimous vote of the Board, the State Mineral and Energy Board approved the appointment of Benjamin C. Bienvenu to the Executive Committee of the Natural Resources Trust Authority.

Upon motion of Mr. Hollenshead, seconded by Mr. Shepherd, and by unanimous vote of the Board, the State Mineral and Energy Board supported the designation of Tyler Gray's authority on the State Mineral and Energy Board to Andrew Young.

Upon motion of Mr. Arceneaux, seconded by Mr. Sittig, and by unanimous vote of the Board, the State Mineral and Energy Board offered its support, in general, of the developments regarding the reorganization of the Department of Energy and Natural Resources and governance of the Natural Resources Trust Authority that were announced at today's meeting.

There were no comments from the public on this matter. **(Resolution No. 24-11-001)**

VI. Presentation by Robert Meredith of Strategic Biofuels, LLC regarding development of the Louisiana Green Fuels plant and related carbon sequestration operation in Columbia, Louisiana

No action by the Board was required.

VII. 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) Nomination and Tract Report – Presented by Greg Roberts, Energy Lands Director, Energy Lands Division
- c) Audit Report – Presented by Taletha Shorter, Audit Director, Mineral Income Division
- d) Legal and Title Controversy Report – Presented by Greg Roberts, Energy Lands Director, Energy Lands Division
- e) Docket Review 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
November 13 2024
(Resolution No. 24-11-002 through No. 24-11-003)

I. GEOLOGICAL AND ENGINEERING STAFF REVIEW

According to the SONRIS database, there are 963 active State Leases containing approximately 420,029 acres. Since the last Lease Review Report, the Geological and Engineering Division reviewed 130 leases covering approximately 37,207 acres for lease maintenance and development.

II. BOARD REVIEW

1. There were no State Lease items to bring before the Board.

III. FORCE MAJEURE

1. Mr. Jason Talbot of the Office of Mineral Resources reported that Mr. Richard Kimberlin with Texas Petroleum Investment was present to provide an update to the State Mineral and Energy Board (Board) on their ongoing communication with Entergy Gas Distribution to bring a gas transmission pipeline back in service that will allow TPIC to flow their Rigolets field production to sales. There was no action required by the Board on this matter.
2. Mr. Jason Talbot reported that Mr. Bo Sibley with Sibley Investments, Mr. Minor Domangue, Consultant, and Mr. Bill Guidry with Key Operating, were present representing Sibley Petroleum/Key Operating Oil & Gas, LLC to provide an update to the Board on their ongoing efforts to gain access to a suitable pipeline to provide gas lift to their Chandeleur Sound Blk 71 field. There was no action required by the Board on this matter.
3. Mr. Jason Talbot reported that Southern Oil of Louisiana (Southern) requested that the Board recognize a force majeure event for State Lease No. 21380 (650 acres) located in the East Cox Bay Field, Plaquemines Parish, Louisiana.

Mr. Talbot further reported that on October 8, 2024, Third Coast LLC shut-in their pipeline due to repairs and that this event resulted in Southern's oil wells to be without gas lift to produce.

Staff recommended that the Board recognize this as a force majeure event for State Lease No. 21380.

Upon motion of Mr. Sittig, seconded by Mr. Shepherd and by unanimous vote of the Board, the Board recognizes a force majeure event for State Lease No. 21380 located

in the East Cox Bay Field, Plaquemines Parish, Louisiana, due to a shut-in of Southern's pipeline resulting in oil wells without gas lift to produce. There were no comments from the public on this matter. **(Resolution No. 24-11-002)**

4. Mr. Jason Talbot reported that Extex Operating Company (Extex) requested that the Board allow for shut-in payments on multiple state leases located in the Little Lake Field, Jefferson Parish, Louisiana.

Mr. Talbot further reported that State Lease Nos. 2453 (596 acres), 18997 (3 acres) and 19864 (111 acres) were previously qualified to make six (6) semi-annual gas shut-in payments. All six (6) payments have been previously made and Extex is requesting permission to make a seventh payment for each lease.

Mr. Talbot continued that State Lease Nos. 19908 (21 acres) and 20102 (7 acres) were previously amended and qualified to make six (6) annual oil shut-in payments. Two (2) of the six (6) have previously been paid and Extex is requesting permission to make a late third shut-in payment for each lease.

Mr. Talbot stated that without the allowance of shut-in payments, the leases would otherwise expire.

Mr. David Vanicor, a representative from Extex, was present to provide an update on their Little Lake Field Asset.

Staff recommended that the Board allow Extex to make a seventh payment and an eighth payment on State Lease Nos. 2453, 18997, and 19864 on or before November 25, 2024 and be allowed to make late third shut-in payments for State Lease Nos. 19908 and 20102.

Upon motion of Mr. Arceneaux, seconded by Mr. Moncla and by unanimous vote of the Board, the Board agrees to allow Extex Operating Company to make a seventh payment and an eighth payment on State Lease Nos. 2453, 18997, and 19864 on or before November 25, 2024 and be allowed to make late third shut-in payments for State Lease Nos. 19908 and 20102. There were no comments from the public on this matter. **(Resolution No. 24-11-003)**

b) Nomination and Tract Report
November 13, 2024
(Resolution No. 24-11-004)

The Board heard the report of Mr. Greg Roberts on Wednesday, November 13, 2024, relative to nominations received in the Office of Mineral Resources for the January 8, 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 seventeen (17) tracts that were nominated for the November Mineral Lease Sale. By comparison, OMR received five (5) nominations for advertisement concerning the November 2023 Mineral Lease Sale.

II. FUTURE LEASE SALE

- A. Thirty-four (34) nominations for advertisement were received by OMR for the January 8, 2025 Mineral Lease Sale.

Staff recommended that the Board grant authority to advertise the thirty-four (34) nominations received by OMR for the January 2025 lease sale.

Based upon Staff's recommendation, and on motion of Mr. Shepherd, duly seconded by Mr. Young, 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. 24-11-004)**

c) Audit Report
November 13, 2024
(Resolution Nos. 24-11-005 and 24-11-006)

The first matter on the audit report was a recoupment request from Talos Third Coast, LLC for an overpayment in the amount of \$39,961.83.

Upon recommendation of Staff and upon motion of Mr. Watkins, seconded by Mr. Shepherd, the Board voted unanimously to approve the recoupment request of Talos Third Coast, LLC for an overpayment of \$39,961.83. **(Resolution No. 24-11-005)**

The second matter on the audit report was the election of the November 2024 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.

Upon motion of Mr. Shepherd, seconded by Mr. Watkins, the Board voted unanimously to acknowledge and approve the election of the November 2024 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. 24-11-006)**

d) Legal & Title Controversy Report
November 13, 2024

The State Mineral and Energy Board reviewed the process to obtain an operating agreement from the State of Louisiana for Carbon Capture and Sequestration, as presented in the May 11, 2021, special meeting of the State Mineral and Energy Board, followed by a discussion of proposed changes to that process, as well as the process to obtain an operating agreement for the development of Wind Energy. There was no action required by the Board on this matter.

e) Docket Review Report
November 13, 2024
(Resolution No(s). 24-11-007 through 24-11-016)

The Board heard the report from Greg Roberts on Wednesday, November 11, 2024, relative to the following:

- Category A: State Agency Lease
Docket Item A
- Category B: State Lease Transfers
Docket Item Nos. 1 thru 5
- Category C: Department of Wildlife & Fisheries State Agency Lease
There were no items for this category
- Category D: Advertised Proposals
Docket Item Nos. 1 thru 4

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

- Category A: State Agency Lease
Docket Item No. 1
(Resolution No. 24-11-007)
- Category B: State Lease Transfers
Docket Item Nos. 1 thru 5
(Resolution No. 24-11-008 thru No. 24-11-012)
- Category D: Advertised Proposals
Docket Item Nos. 1 thru 4
(Resolution No. 24-11-013 thru 24-11-016)

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. Hollenshead, and a roll call of the Board Members, the Board went into Executive Session at 1:00 p.m.

Upon motion of Mr. Shepherd, seconded by Mr. Arceneaux, and a roll call of the Board Members, the Board reconvened in open session at 1:32 p.m. for consideration of the following matters discussed in Executive Session:

- a. A discussion of the terms for a settlement agreement proposed by the Louisiana Land and Exploration Company LLC regarding a title dispute related to the water bottom beneath Bayou Goreau, located in the DISC 12 RA SUA in Terrebonne Parish, Louisiana

Upon motion of Mr. Hollenshead, 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 reject the current offer received and to present a counter offer to the Board for consideration at a later date. There were no comments from the public on this matter. **(Resolution No. 24-11-017)**

- b. Technical Briefing on the Bids

Mr. Hollenshead recused himself from the Executive Session discussion of the technical briefing on the bids received for today's lease sale.

IX. Awarding of Leases

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

Mr. Talbot reported that fifteen (15) tracts were up for bid at today's lease sale with a total of fourteen (14) bids received with two (2) tracts having competitive bids.

The following were Staff's recommendations on the four (4) tracts Mr. Talbot discussed in detail:

Upon review of the competitive bids received on Tract No. 45859, Staff recommended accepting the bid of Stamper, LLC.

Upon review of the competitive bids received on Tract No. 45867, Staff recommended accepting the bid of Cypress Energy Partners, LLC.

Upon review of the single bid received on Tract No. 45860, Staff recommended accepting the bid of Saur Minerals, L.L.C. with a maximum term of three (3) years.

Upon review of the single bid received on Tract No. 45872, Staff recommended rejecting the bid of Sandpoint Energy Partners LLC for insufficient consideration.

All other bids received on the remaining tracts were also recommended for approval at today's lease sale.

Upon motion of Mr. Arceneaux, and seconded by Mr. Watkins, and a roll call of the Board, with Mr. Hollenshead recusing himself, the Board voted to accept Staff's recommendations regarding the following bids and award leases on the following tracts:

Tract 45858
(Entire: 13.061 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$32,652.50
Annual Rental	:	\$16,326.25
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45859(1)
(Entire: 14 acres)

Bidder	:	Stamper, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$45,850.00
Annual Rental	:	\$22,925.00
Royalties	:	25.25% on oil and gas
	:	25.25% on other minerals
Additional Consideration	:	None

Tract 45860
(Entire: 14 acres)

Bidder	:	Saur Minerals, L.L.C.
Primary Term	:	Three (3) years
Cash Payment	:	\$3,500.00
Annual Rental	:	\$1,750.00
Royalties	:	21% on oil and gas
	:	21% on other minerals
Additional Consideration	:	None

Tract 45861
(Entire: 18.390 acres)

Bidder	:	USG Properties Haynesville, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$56,089.50
Annual Rental	:	\$28,044.75
Royalties	:	25% on oil and gas
	:	25% on other minerals

Additional Consideration:

In August of 2021, the Bidder was awarded State Agency Lease No. 22038, which covered the tract being bid on today, among other lands. Through a clerical error, today's Bidder failed to tender a Deferred Development payment and was forced to partially release this tract's acreage. The Bidder has nominated this tract, and has submitted this bid in an effort to reestablish the acreage it previously leased under State Agency Lease No 22038.

Tract 45862
(Entire: 93.610 acres)

Bidder	:	USG Properties Haynesville, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$285,510.50
Annual Rental	:	\$142,755.25
Royalties	:	25% on oil and gas
	:	25% on other minerals

Additional Consideration: In August of 2021, the Bidder was awarded State Agency Lease No. 22036, which covered the tract being bid on today, among other lands. Through a clerical error, today's Bidder failed to tender a Deferred Development payment and was forced to partially release this tract's acreage. The Bidder has nominated this tract, and has submitted this bid in an effort to reestablish the acreage it previously leased under State Agency Lease No. 22036.

Tract 45863
(Entire: 13.590 acres)

Bidder	:	USG Properties Haynesville, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$41,449.50
Annual Rental	:	\$3,050.00
Royalties	:	25% on oil and gas
	:	25% on other minerals

Additional Consideration: In August of 2021, the Bidder was awarded State Agency Lease No. 22038, which covered the tract being bid on today, among other lands. Through a clerical error, today's Bidder failed to tender a Deferred Development payment and was forced to partially release this tract's acreage. The Bidder has nominated this tract, and has submitted this bid in an effort to reestablish the acreage it previously leased under State Agency Lease No. 22038.

Tract 45864
(Entire: 102.718 acres)

Bidder	:	USG Properties Haynesville, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$313,289.90
Annual Rental	:	\$156,644.95
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45865
(Entire: 4.630 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$14,353.00
Annual Rental	:	\$7,176.50
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45866
(Entire: 9.42 gross/4.710 net acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$14,601.00
Annual Rental	:	\$7,300.50
Royalties	:	25% on oil and gas
	:	25% on other minerals
Additional Consideration	:	None

Tract 45867(2)
(Entire: 136.405 acres)

Bidder	:	Cypress Energy Partners, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$968,475.50
Annual Rental	:	\$484,237.75
Royalties	:	27.7% on oil and gas
	:	27.7% on other minerals
Additional Consideration	:	None

Tract 45868
(Entire: 0.500 acres)

Bidder	:	Land Resources, Inc.
Primary Term	:	Three (3) years
Cash Payment	:	\$250.00
Annual Rental	:	\$250.00
Royalties	:	22.5% on oil and gas
	:	22.5% on other minerals
Additional Consideration	:	None

Tract 45870
(Entire: 80 acres)

Bidder	:	USG Properties Haynesville, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$120,000.00
Annual Rental	:	\$60,000.00
Royalties	:	22% on oil and gas
	:	22% on other minerals

Additional Consideration: In May of 2022, the Bidder was awarded State Lease No. 22076, which covered the tract being bid on today, among other lands. Through a clerical error, today's Bidder failed to tender a Deferred Development payment and was forced to partially release this tract's acreage. The Bidder has nominated this tract, and has submitted this bid in an effort to reestablish the acreage it previously leased under State Lease No. 22076.

Tract 45871
(Entire: 17 acres)

Bidder	:	USG Properties Haynesville, LLC
Primary Term	:	Three (3) years
Cash Payment	:	\$25,500.00
Annual Rental	:	\$12,750.00
Royalties	:	22% on oil and gas
	:	22% on other minerals

Additional Consideration: In May of 2022, the Bidder was awarded State Lease No. 22076, which covered the tract being bid on today, among other lands. Through a clerical error, today's Bidder failed to tender a Deferred Development payment and was forced to partially release this tract's acreage. The Bidder has nominated this tract, and has submitted this bid in an effort to reestablish the acreage it previously leased under State Lease No. 22076.

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.

X. New Business

There was no new business discussed.

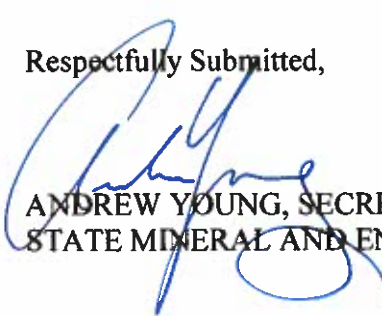
XI. Announcements

Mr. Young stated that the total cash payments received for the November 13, 2024 Lease Sale totaled \$1,921,521.40 bringing the fiscal year-to-date total to \$4,819,258.54.

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. Hollenshead, the meeting was adjourned at 1:38 p.m.

Respectfully Submitted,


ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD



Louisiana State Mineral and Energy Board

RESOLUTION NO. 24-11-001
[REGULAR MEETING]

WHEREAS, after consideration and discussion of the update that was provided to the State Mineral and Energy Board regarding the reorganization of the Department of Energy and Natural Resources and governance of the Natural Resources Trust Authority, the following action was taken:

ON MOTION of Mr. Shepherd, seconded by Mr. Arceneaux, the following 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 approve the appointment of Benjamin C. Bienvenu to the Executive Committee of the Natural Resources Trust Authority; and

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

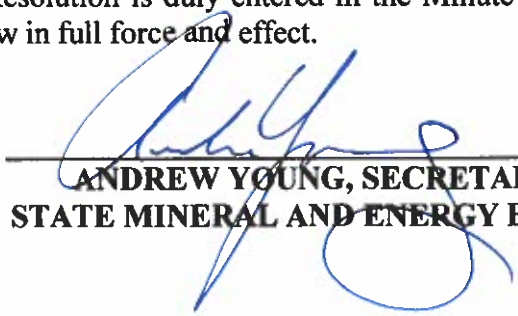
BE IT FURTHER RESOLVED that the State Mineral and Energy Board does hereby support the designation of Tyler Gray's authority on the State Mineral and Energy Board to Andrew Young; and

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

BE IT FURTHER RESOLVED that the State Mineral and Energy Board does hereby offer its support, in general, of the developments regarding the reorganization of the Department of Energy and Natural Resources and governance of the Natural Resources Trust Authority.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 13th day of November, 2024 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