



DEPARTMENT OF CONSERVATION AND ENERGY

REGULAR MEETING DECEMBER 10, 2025

The Regular Meeting of the State Mineral and Energy Board was held on Wednesday, December 10, 2025, beginning at 9:37 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
Billy A. Busbice, Jr.
Mark E. Barton
Jeffery C. Delahoussaye
Charles W. "Wes" Shepherd Sr.
Robert D. Watkins
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 November 12, 2025 Minutes

The Chairman stated that the next order of business was the approval of the November 12, 2025 Minutes.

A motion was made by Mr. Busbice to adopt the November 12, 2025 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. 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
December 10, 2025

The Board heard the report of Mr. Jason Talbot, Petroleum Scientist Manager, on Wednesday, December 10, 2025, relative to the following:

I. RESOURCE ANALYTICS DIVISION REVIEW

According to the SONRIS database, there is a total of 862,624 state acres under contract (i.e., state leases, operating agreements). Shown below is each category:

Oil & Gas Leases

- 923 SLs - approx. 385,605 acres.
 - Reviewed 98 leases approx. 25,678.acres

Oil & Gas Operating Agreements

- 72 OAs - approx. 8,386 acres
 - Reviewed 4 OAs approx. 523 acres

Gas Storage Operating Agreements

- 3 OAs – approx. 2,724 acres

Carbon Capture Storage Operating Agreements

- 6 OAs - approx. 406,216 acres
(Original report incorrectly stated that there were 13 Carbon Capture Storage OAs)

Wind Energy Operating Agreements

- 1 OA – approx. 59,693 acres

II. BOARD REVIEW

There were no State Lease items brought before the Board.

III. FORCE MAJEURE

There were no Force Majeure items brought before the Board.

b) AUDIT REPORT
December 10, 2025
(Resolution No. 25-12-001)

The Board heard the report of Ms. Taletha Shorter, Audit Director, on Wednesday, December 10, 2025, relative to the following:

I. INCOME MONTHLY STATISTICS REVIEW

- A. As of November 30, 2025, field audit collections totaled \$1,455,317.86, which includes \$1,217,787.36 in royalty exceptions and \$237,530.50 in interest. The current number of open royalty audits is 37.

Royalties collected in November 2025 totaled \$11,911,962.49 and Fiscal Year to Date totaled \$59,088,586.91, as compared to last year's Fiscal Year to Date Royalties of \$56,005,528.56 as of November 30, 2024.

Monthly state royalty reports submitted in November totaled 229, which include 79 SR1s for oil, 130 SR2s for gas, and 20 SR5s for plant products.

II. CURRENT DELINQUENT PAYORS

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

III. BOARD REVIEW

- A. Ms. Shorter reported to the Board that the election for December 2025 gas royalty is to be paid on an unprocessed 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 November 2025 gas royalty to be paid on an unprocessed 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. 25-12-001)

c) NOMINATION AND TRACT REPORT

December 10, 2025
(Resolution No. 25-12-002)

The Board heard the report of Mr. Greg Roberts on Wednesday, December 10, 2025, relative to nominations received in the Office of State Resources for the February 11, 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 five (5) tracts that were nominated for the November 12, 2025 Mineral Lease Sale.

By comparison, OSTR received seven (7) nominations for advertisement concerning the December 11, 2024 Mineral Lease Sale.

II. FUTURE LEASE SALE

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

By comparison, OSTR advertised six (6) nominations associated with the February 12, 2025 Mineral Lease Sale.

Based on Staff's recommendation, and on motion of Mr. Barton, 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. 25-12-002**).

d) LEGAL & TITLE CONTROVERSY REPORT

December 10, 2025
(Resolution Nos. 25-12-003 and 25-12-004)

The Board heard the report of Mr. Greg Roberts, Petroleum Lands Director, on Wednesday, December 10, 2025, relative to the following:

1. A request by SMTP Energy, LLC (SMTP) for a second extension of the deadline to commence the operations described in the Additional Consideration section of its bid form for State Lease No. 22175, located in Main Pass Block 35 Field in Plaquemines Parish, Louisiana, extending the deadline to December 9, 2026.

Upon motion of Mr. Watkins, seconded by Mr. Shepherd, the Board voted unanimously to grant an extension of the deadline to commence operations described in the Additional Consideration section of its bid form for State Lease No. 22175, located in Main Pass Block 35 Field in Plaquemines Parish, Louisiana until December 9, 2026, pending receipt of the rental payment due on December 13, 2025. There were no other comments received from the public on this matter. **(Resolution No. 25-12-003)**

2. A request by OSTR Staff to amend Article 3 of the current State Lease Form regarding the timeline of rental payments.

Upon motion of Mr. Watkins, seconded by Mr. Barton, the Board voted unanimously to authorize publication and solicitation of public comments regarding the proposed amendment for a period of thirty (30) days. There were no other comments received from the public on this matter. **(Resolution No. 25-12-004)**

e) DOCKET REVIEW REPORT
December 10, 2025
(Resolution No(s). 25-12-005 through 25-12-011)

The Board heard the report from Greg Roberts on Wednesday, December 10, 2025, relative to the following:

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

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

- Category A: State Agency Leases
Approve Docket Item A
(Resolution No. 25-12-005)
- Category B: State Lease Transfers
Approve Docket Item Nos. 1 through 5
(Resolution Nos. 25-12-006 through 25-12-010)
- Category D: Advertised Proposals
Approve Docket Item No. 1
(Resolution Nos. 25-12-011)

- VI. Natural Resources Trust Authority Report** –Rachel Newman, Deputy Undersecretary, Department of Conservation and Energy Deputy and Roby Fulkerson, Executive Director of the Oilfield Site Restoration Program (OSR), presented the report for the Natural Resources Trust Authority (NRTA), which included 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.

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 roll call vote of the Board Members, the Board went into Executive Session at 10:17 a.m.

Upon a roll call vote of the Board Members, before which Mr. Richard Nelson excused himself from the remainder of the meeting, the Board reconvened in open session at 11:42 a.m. for consideration of the following matters discussed in Executive Session:

- a. An overview of the lawsuit entitled Save my Louisiana, Inc. et al. v. State of Louisiana, Docket No. 770744, Sec. 27, 19th Judicial District Court, East Baton Rouge Parish, regarding the Louisiana Geologic Sequestration of Carbon Dioxide Act (La. R.S. 30:1101 et seq.)

Item was informational only and no Board action was required.

- b. A discussion and request for authority to negotiate settlement with regard to matters related to field audit #973 of Hilcorp Energy Company

Upon motion of Mr. Watkins, seconded by Mr. Barton, and by unanimous vote of the Board, the State Mineral and Energy Board granted authority to Staff and the Attorney General's office to negotiate a settlement as discussed in Executive Session. **(Resolution No. 25-12-012)**

c. Technical Briefing on Bids

VIII. Awarding of Leases

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

Mr. Talbot reported that five (5) tracts were up for bid at today's lease sale with a total of one (1) bid received.

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

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

Tract 45988
(Portion: 192.430 acres)

<u>Bidder:</u>	Cypress Energy Partners, LLC
<u>Primary Term:</u>	Three (3) years
<u>Cash Payment:</u>	\$20,397.58
<u>Annual Rental:</u>	\$10,198.79
<u>Royalties:</u>	20% on oil and gas 20% on other minerals

Additional Consideration: There is no privately owned land in this portion bid.

This concluded the awarding of the leases.

IX. An update was given by Mr. Andrew Young on the development of the proposed State Lease Royalty Reduction Program by the Office of State Resources in accordance with Executive Order JML 25-72.

Upon motion of Mr. Hollenshead, seconded by Mr. Shepherd, and by unanimous vote of the Board, the State Mineral and Energy Board approved the provisions of the preliminary draft Program and authorized OSTR to publish said draft for purposes of soliciting stakeholder feedback on its terms. **(Resolution No. 25-12-013)**

X. New Business

There was no new business brought before the Board.

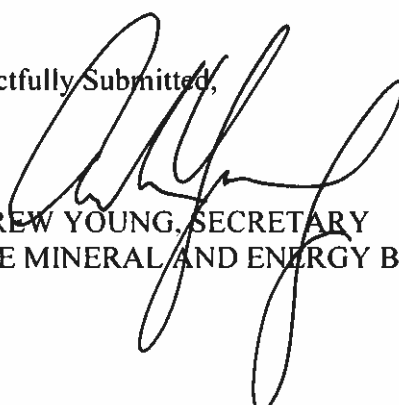
XI. Announcements

Mr. Young stated that the total cash payments received for the December 10, 2025 Lease Sale totaled \$20,397.58, bringing the fiscal year-to-date total to \$1,722,166.47.

XII. Adjournment

The Chairman then stated that there being no further business to come before the Board, upon motion of Mr. Delahoussaye, seconded by Mr. Shepherd, the meeting was adjourned at 11:56 a.m.

Respectfully Submitted,


ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD