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State of Louisiana

DEPARTMENT OF ENERGY AND NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL AND ENERGY BOARD

TO: State Mineral and Energy Board Members

FROM: Cristina Vince
Land Manager
Office of Mineral Resources

DATE: March 13, 2024

DOCKET REVIEW REPORT

I. DOCKET REVIEW

- A. All items as set forth on the March 13, 2024 Docket are submitted for State Mineral & Energy Board approval within the following categories:
- Category A: State Agency Leases.
 - Category B: State Lease Transfers.
 - Category C: Department of Wildlife & Fisheries State Agency Lease Transfers.
 - Category D: Advertised Proposals.

The Committee may discuss matters it desires pursuant to R.S. 42:19A(1)(b)(ii)(cc), as well as Executive Session matters pursuant to R.S. 42:17A(2) and R.S. 42:17A(6).

**STATE MINERAL AND ENERGY BOARD
DOCKET**

ITEMS REQUIRING BOARD APPROVAL

MARCH 13, 2024

A. STATE AGENCY LEASES
MARCH 13, 2024

La. R.S. 30:151 identifies the term “agency” as a levee district, drainage district, road district, school district, school board, or other board, commission, parish, municipality, state university, state college, state penal or charitable institution or agency, unit or institution of the state or subdivision thereof.

La. R.S. 30:155 provides that, if an agency does not want the Mineral and Energy Board to do its mineral leasing, it may do its own mineral leasing, the lease given must still be approved by the State Mineral and Energy Board under R.S. 30:158.

La. R.S. 30:156 provides that, if an agency wants to mineral lease its own property, it must follow the same leasing process as the State does, including advertising, sealed bids, etc.

La. R.S. 30:158 provides that, if a mineral lease given by an agency of its own property is not approved by the Mineral and Energy Board, it is an absolutely void lease.

Pursuant to the above statutory authority, listed below are leases given by state agencies and submitted for State Mineral and Energy Board approval. The staff examines the documents submitted to make sure that the agency follows all of the steps this office goes through in leasing State owned acreage and that the document has been properly notarized.

1. STATE AGENCY LEASE (A) JEFFERSON PARISH,
LOUISIANA

An Oil, Gas and Mineral Lease from the City of Gretna, dated September 26, 2022, awarded to Bayougoula Resources, LLC, covering lands located in Section 3, T13-R23E, containing approximately 1.0 acre, more or less, with further contractual obligations being more enumerated in the instrument.

BIDDER AND LESSEE	: Bayougoula Resources, LLC
BONUS	: \$752.00
RENTAL	: \$376.00
ROYALTY	: 25% on oil, gas and other minerals
TERM	: Three Years

A. STATE AGENCY LEASES
MARCH 13, 2024

2. STATE AGENCY LEASE (B) JEFFERSON PARISH,
LOUISIANA

An Oil, Gas and Mineral Lease from the City of Gretna, dated September 26, 2022, awarded to Bayougoula Resources, LLC, covering lands located in Section 2, T13S-R23E, containing approximately 4.0 acres, more or less, with further contractual obligations being more enumerated in the instrument.

BIDDER AND LESSEE	: Bayougoula Resources, LLC
BONUS	: \$3,008.00
RENTAL	: \$1, 504.00
ROYALTY	: 25% on oil, gas and other minerals
TERM	: Three Years

B. STATE LEASE TRANSFERS
MARCH 13, 2024

La. R.S. 30:128 (A) provides that no transfer or assignment in relation to any lease of minerals or mineral rights owned by the state shall be valid unless approved by the State Mineral and Energy Board. Additionally, transfers or assignments shall not be granted to prospective leaseholders that are not currently registered with the Office of Mineral Resources.

This section deals with such transfers of interest in state mineral leases in the form of assignments of rights, subleases, and stipulations of interest. It also deals with transfers such as mergers or changes of names, which act as an assignment of interest to the newly named or emerging entity from a merger. Accompanying each of the items submitted in this section was an Ownership Transfer Form (Form B) listing the pre-transfer ownership interest in the lease and the post-transfer ownership interest. Each document is carefully checked by the staff to ensure that the interest transfer figures are consistent, that our ownership records are complete and that all form requirements are met.

1. ASSIGNMENT

STATE LEASE NO. 22164,
Caddo and DeSoto Parishes,
Louisiana

An Assignment from Cypress Energy Partners, LLC to Paloma Natural Gas, LLC, of all of Assignor's right, title and interest in and to State Lease No. 22164, Caddo and DeSoto Parishes, Louisiana, with further particulars being stipulated in the instrument.

Paloma Natural Gas, LLC is designated as the joint account Lessee (contact company) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

2. ASSIGNMENT

STATE LEASE NOS. 21608,
21614, 21615, 21616, 21676
21677 and Operating Agreements
A0383 and A0391, Terrebonne
Parish, Louisiana

An Assignment from Castex E&P, LLC to Castex Energy 2021, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 21608, 21614, 21615, 21616, 21676, 21677 and Operating Agreements A0383 and A0391, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.

Castex Energy 2021, LLC is designated as the joint account Lessee (contact company) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

B. STATE LEASE TRANSFERS
MARCH 13, 2024

3. ASSIGNMENT

OPERATING AGREEMENT "CS006",
Cameron Parish, Louisiana

An Assignment from Castex Carbon Solutions, LLC to OnStream CO2, LLC, all of Assignor's right, title and interest in and to Operating Agreement "CS006", Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

OnStream CO2, LLC is designated as the joint account Lessee (contact company) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

4. WELLBORE ASSIGNMENT

STATE LEASE NO. 21983,
Caddo and DeSoto Parishes,
Louisiana

A Wellbore Assignment from Comstock Oil & Gas-Louisiana LLC to Paloma Natural Gas, LLC, of all of Assignor's right, title and interest in and to State Lease No. 21983, Caddo and DeSoto Parishes, Louisiana, as described on Exhibit A and B attached to said instrument, with further particulars being stipulated in the instrument.

Paloma Natural Gas, LLC is designated as the joint account Lessee (contact company) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

5. CORRECTION OF RESOLUTION

STATE LEASE NO. 15067,
Terrebonne Parish, Louisiana

A Correction of Resolution No. 23-08-008, Docket No. 3, from the August 9, 2023 Meeting, being an Assignment from Krewe Energy, LLC, et al to EXTEX Production Offshore, LLC, whereas said resolution incorrectly read..."State Lease No. 1567" and is hereby being corrected to read..."State Lease No. 15067", Terrebonne Parish, Louisiana.

**C. DEPARTMENT OF WILDLIFE AND FISHERIES STATE AGENCY
LEASE TRANSFERS
MARCH 13, 2024**

The State Agency Leases require that any transfer of interest be approved by the Agency prior to the transfer. By Co-operative Endeavor Agreement, dated effective December 18, 2009, the Office of Mineral Resources has assumed responsibility for the administration of all State Agency Leases awarded by or on behalf of the said Department of Wildlife and Fisheries.

This section deals with transfers of interests in those State Agency Leases for the Department of Wildlife and Fisheries now under administration by the Office of Mineral Resources as staff of the Louisiana State Mineral and Energy Board and for which approval by the Board is being requestec. Accompanying each item submitted in this section was an Ownership Transfer Form (Form-B) listing the pre-transfer and post-transfer interest of all party lease owners in the lease(s) herein set forth. Each document is carefully checked by the staff to ensure that the interest transfer figures are consistent with and reflect the interest in our records; and further, that all form requirements are met.

No items received for this category.

D. ADVERTISED PROPOSALS
MARCH 13, 2024

La. R.S. 30:129.1 provides that certain types of agreements entered into by the State with respect to its mineral leasing activity must be advertised within a specific time of the State Mineral and Energy Board meeting at which those agreements will be acted on.

These items are called advertised items. They consist of unitization agreements, lease amendments, gas production contracts, amendments, compromise agreements and other types of agreements. These items are checked by the staff to make sure that the contents of the agreement correctly reflect the understanding of all parties, that the form is authentic and properly notarized and that the items have met the statutory advertisement requirements.

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| 1. | SETTLEMENT, RECEIPT AND
RELEASE AGREEMENT (24-03) | <u>STATE LEASE NOS. 21662,</u>
<u>21696 and 21697,</u>
Terrebonne Parish, Louisiana |
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A Settlement, Receipt and Release Agreement by and between State of Louisiana, acting through its agency, the Louisiana State Mineral & Energy Board and Apache Louisiana Minerals LLC, whereas said parties desire to assert certain ownership rights in title of the property and in the mineral production and/or proceeds from the Conflict Tracts within the BOURG B SUI and the FF-GG RA SUA, affecting State Lease Nos. 21662, 21696 and 21697, Terrebonne Parish, Louisiana, with further particulars being stipulated in the instrument.