

OFFICES OF
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N. PETER DAVIS, CPL

March 6, 2019

VIA Email

State Mineral and Energy Board
P. O. Box 2827
Baton Rouge, LA 70821-2827

Re: State Lease Form Review

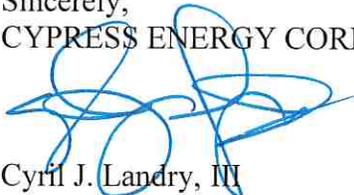
Dear Sir:

In response to the Board's request for industry comments on the proposed changes to the State Lease form, I hereby support the comments submitted by Cynthia Nicholson and Peck Hayne with Gordon Arata Montgomery Barnett, and Tommy Smart with Onebane Law Firm.

While it's appropriate to update the State Lease form, I urge you not to make the lease form more difficult and more expensive on the operators we currently have. Leasing activity of State-owned acreage over the past two years has decreased more than any other time of my 40-year career. Legacy lawsuits and Coastal lawsuits have caused operators to leave Louisiana and kept others away. The hostile legal climate has caused operators to reduce their investment in Louisiana and/or decrease their activity. Companies that had a long history of operations in our state are leaving and divesting themselves of Louisiana properties. Our wetlands make operating costs prohibitively high due to government required mitigation and our severance taxes are the highest in the country. Not only has leasing activity decreased, we've been losing good jobs, and revenue because Louisiana is not economically attractive to exploration companies.

The State Mineral and Energy Board cannot control taxes, wetland mitigation or the legal climate but it can control the lease form. Please don't make the new lease form another obstacle keeping oil & gas exploration companies out of our state. Instead of making it more difficult, I believe we should make an effort to find ways to attract, incentivize and keep exploration companies active in Louisiana.

Sincerely,
CYPRESS ENERGY CORPORATION



Cyril J. Landry, III

CJL/III