

POYDRAS ENERGY

AGREEMENT REGARDING SITE SPECIFIC TRUST ACCOUNT

This Agreement Regarding Site Specific Trust Account (the "Agreement") is effective as of the last date executed below (the "Effective Date"), by and between, the Louisiana Oilfield Restoration Association, Inc. d/b/a LORA Financial Security ("LORA"), Poydras Energy Partners, LLC (the "Operator"), and the Office of Conservation (the "OOC") of the Louisiana Department of Natural Resources (LORA, the Operator and OOC are sometimes collectively, referred to as the "Parties" or individually as a "Party").

WHEREAS, Operator is currently the registered operator with OOC for several oil and/or gas wells in the Main Pass Block 26 and 35 Oil and Gas Fields, which wells are identified on "**Exhibit 1**" hereto (the "Wells") for which a Site Specific Trust Account pursuant to La. R.S. 30:80, *et seq.* and bearing OOC account no. 04-11 has been establish (the "SSTA") with a balance of \$2,403,832.00 (the "SSTA Funds");

WHEREAS, Operator has requested access to a portion of the funds for certain uses in connection with the Wells to be approved by OOC and as contemplated by the terms of the SSTA; OOC is agreeable to a release of the SSTA Funds to LORA upon receipt of satisfactory alternative financial security from LORA and on the terms set forth herein below; and LORA is agreeable to providing such alternative financial security for the SSTA and holding the SSTA Funds on the terms and conditions set forth herein below;

NOW THEREFORE, the Parties agree as follows:

1. Operator shall provide to LORA a fully completed and executed LORA Agreement on terms acceptable to LORA (in LORA's sole discretion) together with the first annual fee payment required under the terms set forth in the LORA Agreement (the "Fees"), which Fees shall be in the approximate initial amount of \$84,134.12 and payable annually thereafter as set forth in the LORA Agreement. LORA shall thereafter provide to OOC, financial security in a form acceptable to the OCC, as contemplated by that certain Cooperative Agreement between OOC and LORA dated November 4, 2019 and bearing OOC Cooperative Agreement No. 20-004 (the "Cooperative Agreement") as such Cooperative Agreement may be amended, modified or supplemented from time-to-time, in the amount of \$2,403,832.00 (the "SSTA FS").
2. Upon receipt of the SSTA FS described above from LORA, OOC shall cause the SSTA Funds to be transferred to LORA to be held and partially distributed by LORA to Operator subject to the limitations and conditions set forth herein:
 - A. The SSTA Funds shall be held by LORA in a reserve account.
 - B. Up to a total of one-half (½) of the SSTA Funds (or \$1,201,916.00) shall be subject to periodic distribution to Operator upon express written authorization and direction by OOC provided directly to LORA. It anticipated that such funds may be made available for distribution to Operator in four (4) separate payments in varying amounts upon the completion of certain work on or related to the Wells all as agreed

between Operator and OOC and approved by OOC. LORA shall have no obligation or liability to inspect such work or make any determinations related to the work. LORA may rely solely on written authorization and direction provided by OOC that a distribution may be made to Operator and the amount of such distribution.

- C. Except for any limited funds authorized to be distributed to Operator as provided herein, all SSTA Funds shall be held by LORA and may be utilized by LORA to satisfy any obligations of the SSTA FS or the obligations of the SSTA. Such SSTA Funds shall be the primary source for satisfying the obligations of the SSTA. The financial security provided pursuant to the SSTA FS shall be secondary to and in excess of the SSTA Funds. In no event shall LORA be liable for more than the amount of \$2,403,832.00 under or in connection with this Agreement.
3. Pursuant to the terms of the LORA Agreement, the LORA Agreement shall remain in effect and the annual Fees required thereby shall be paid annually by Operator to LORA until SSTA Termination (as defined herein below).
4. The Operator certifies and warrants that all information it has provided to LORA and OOC relating to the Wells is true, valid and correct.
5. LORA shall have no obligation to pay interest on any payments, prepayments, deposits or other amounts held by or paid to LORA in connection with this Agreement. Without limitation, any interest earned on the SSTA Funds held by LORA shall be the property of LORA.
6. Operator will indemnify and hold LORA and OOC (including without limitation, their officers, directors, employees, agents and affiliates, and affiliates' officers, directors, managers, members, and attorneys) harmless from and against any claim, damage, expense, liability or loss arising out of or related to this Agreement (including any claim, damage, expense, liability or loss arising in whole or in part from the negligence of the party seeking indemnification, but excluding any such claim, damage, expense, liability or loss resulting from the gross negligence or willful misconduct of the party seeking indemnification), and any cost, claim, damage, expense, liability or loss (including reasonable attorneys' fees and legal expenses) of all claims or legal proceedings arising out of or related to this Agreement. The foregoing obligations of Operator are continuing and shall survive the termination or expiration of this Agreement.
7. Without limiting any rights of LORA hereunder or under the LORA Agreement, to secure Operator's full and timely performance of all obligations owed to LORA (including those owed hereunder or under the LORA Agreement), Operator hereby grants to LORA a continuing security interest in to all of the Operator's right, title and interest in and to the SSTA Funds held by LORA.
8. The duties of LORA are limited to those affirmatively set forth herein. The standard of care of LORA in holding the SSTA Funds shall be limited to ordinary diligence, and LORA shall not in any event be required to construe or determine the rights of the other Parties.

In the event of any dispute or disagreement as to the SSTA Funds, LORA shall be entitled to deliver the funds into the Registry of the Louisiana State District Court in and for East Baton Rouge Parish, State of Louisiana in concursus proceedings and shall thereupon be relieved of all further responsibility for such amounts deposited. All filing fees incurred by LORA in connection therewith may be paid from the SSTA Funds. Anything herein contained to the contrary notwithstanding, LORA shall have no liability to the other Parties hereunder except for gross negligence or willful misconduct.

9. Upon the satisfaction of all obligations of the SSTA and the completion of all oilfield site restoration work contemplated by the SSTA and approval of same by OOC and the termination of the SSTA in accordance with applicable law (the "SSTA Termination"), any remaining SSTA Funds shall become the property of LORA and may be retained by LORA. LORA shall have no obligation or liability for inspecting such work or making any determinations related to the work. LORA may rely solely on a writing provided by OOC authorizing and directing the payment and providing the name and contact information of the responsible party.
10. At any time prior to the SSTA Termination, LORA and the Operator shall have the option (but not the obligation) to return the SSTA Funds to OOC and terminate this Agreement upon the following: (a) LORA depositing the remaining SSTA Funds held by it (the "Remaining SSTA Funds") with OOC and (b) the Operator providing cash or other security satisfactory to OOC in an amount equal to the difference between \$2,403,832.00 and the amount of the Remaining SSTA Funds such that OOC shall again hold total cash and/or security of \$2,403,832.00 attributable to the SSTA (collectively, the "Voluntary Termination Conditions"). Upon satisfaction of the Voluntary Termination Conditions, LORA shall have no further obligations under this Agreement or the SSTA FS and Operator shall have no further obligation to further pay the annual Fees due hereunder.
11. Notwithstanding any other provision of this Agreement, LORA shall not be obligated to make any distribution or payment contemplated hereunder until it receives instructions from OOC satisfactory to LORA in its discretion.
12. Nothing herein is intended to create rights in favor of nonparties to this Agreement; there are no third-party beneficiaries hereto.
13. All liabilities and obligations of the Operator under this Agreement shall bind its heirs, executors, administrators, receivers, successors and assigns.
14. This Agreement and the agreements expressly contemplated hereby set forth the entire agreement of the Parties hereto with respect to the subject matter hereof. If any of the provisions of this Agreement shall be held invalid or unenforceable, this Agreement shall be construed as if not containing those provisions and the rights and obligations of the parties hereto shall be construed and enforced accordingly.
15. This Agreement shall be construed in accordance with and governed by the laws of the State of Louisiana, without giving effect to choice of law rules. Any action arising out of

or related to this Agreement shall only be brought in 19th Judicial District Court for the State of Louisiana in East Baton Rouge Parish, Louisiana.

16. This Agreement may not be amended or modified except in writing duly executed by all Parties hereto.
17. This Agreement may be executed in two or more counterparts, and it shall not be necessary that the signatures of all Parties hereto be contained on any one counterpart hereof; each counterpart shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimiles or electronic copies of this document shall be deemed to be original for all purposes.
18. If any portion of this Agreement is in conflict with any law controlling the construction of this Agreement, such portion of this Agreement shall be considered to be deleted and the remainder shall continue in full force and effect.
19. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly give if delivered by hand or mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To the Operator: *To the address of Operator on file with OOC.*

To LORA: President/CEO
LORA
P.O. Box 82016
Baton Rouge, LA 70884

With a copy to LORA's agent registered with the
Louisiana Secretary of State.

To OOC: Department of Natural Resources
Attn: Commissioner of Conservation
P.O. Box 94396
Baton Rouge, LA 70804-9396

Such addresses may be changed by written notice given as provided in this Agreement. Actual notice, however given, shall always be effective.

20. Operator represents and warrants that neither this Agreement nor any condition relating thereto shall be a breach or default in any other obligation of such Operator, specifically including, without limitation, any loan agreement.
21. LORA's liability for financial security shall be secondary to and in excess of any other financial security, insurance, bonding, escrow, deposit, collateral or other sources of payment applicable to the Wells, including, without limitation, any other amounts held by OOC as security for the obligations of Operator.

THUS DONE AND PASSED in DUVAL Parish/County, State of FLORIDA
_____, on the 20 day of AUG, 2020, in the presence of the undersigned competent
witnesses, who hereunto sign their names with Operator and me. Notary, after due reading of the
whole.

Witnesses:

Operator, Poydras Energy Partners, LLC

Cali Canlas
Print Name: CALI CANLAS

Shannon L. Terry
Printed: Shannon L. Terry

Emily Capri Chae
Print Name: Emily Capri Chae

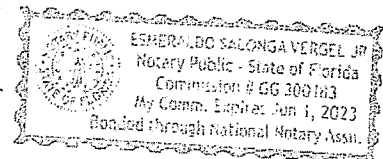
Title: MANAGER

LDNR Organization ID: P265

ESMERALDO S. VERGEL JR
NOTARY PUBLIC

ESMERALDO S. VERGEL JR
(Name of Notary Public - Please Print)

CG 300183
(I.D. No. or Bar Roll No.)

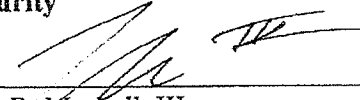


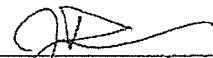
THUS DONE AND PASSED in East Baton Rouge Parish, Parish, State of Louisiana, on the 25th day of AUGUST, 2020, in the presence of the undersigned competent witnesses, who hereunto sign their names with LORA and me, Notary, after due reading of the whole.

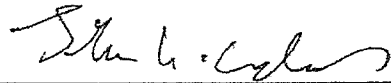
Witnesses:

LORA, Louisiana Oilfield Restoration
Association, Inc. d/b/a LORA Financial
Security


Print Name: Andrew Bertelot


Van R. Mayhall, III
President/CEO, LORA


Print Name: Jacob Dickinson



NOTARY PUBLIC

John W. Adams #45213
(Name of Notary Public - Please Print)

My Commission is For Life
(I.D. No. or Bar Roll No.)



JOHN BEL EDWARDS
GOVERNOR

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF CONSERVATION

THOMAS F. HARRIS
SECRETARY

RICHARD P. IEYOUB
COMMISSIONER OF CONSERVATION

December 29, 2021

Louisiana Oilfield Restoration Association Inc.
P.O. Box 82016
Baton Rouge, LA 70884
Attn: Van R. Mayhall, III

Re: **Certified Mail No. 7019 2970 0001 0822 5627**
Letter of Credit No. LORA-O-04-11
Poydras Energy Partners, LLC – OC P265

Dear Mr. Mayhall:

I, Richard P. Ieyoub, Commissioner of the Louisiana Office of Conservation, hereby notify Louisiana Oilfield Restoration Association Inc. (LORA), P.O. Box 82016, Baton Rouge, LA 70884 of the Louisiana Office of Conservation's intent to hereby draw upon the above referenced Letter of Credit in the full amount of \$2,403,832. Attached you will find a sight draft bearing reference to the subject Letter of Credit.

As a condition of the Letter of Credit, I certify that the amount of the draft is payable pursuant to regulations issued in accordance with LSA-R.S.30:1 et seq. Should LORA choose to plug and abandon the subject wells as referenced in Cooperating Agreement 20-004 in lieu of remitting payment of the Letter of Credit, please provide a plug and abandonment schedule no later than February 1, 2022.

Please expedite this transaction. You may remit the funds by cashier's check to Office of Conservation, 617 North 3rd Street, 9th Floor, Baton Rouge, Louisiana 70802, Attn: Ms. Carrie A. Wiebelt or by wire to the State Central Depository Account, Account No. 7900405426, Routing Number 021000021, J. P. Morgan Chase Bank, Baton Rouge, Louisiana. Please e-mail proof of wire transaction to carrie.wiebelt@la.gov.

If you have any questions, you may contact Carrie A. Wiebelt, (225) 342-9380 (Office of Conservation) or Mr. John Daniel, (225) 332-5966 (J. P. Morgan Chase Bank, N.A.).

Yours very truly,


RICHARD P. IEYOUB
LOUISIANA COMMISSIONER OF CONSERVATION

RPI:CAW

Attachment: Sight Draft

cc: Todd Keating Casandra Parker Latangia Brimmer Russell McGee
Poydras Energy Partners, LLC - Shannon Terry, shannon@ngenglobalenergy.com

Post Office Box 94396 • Baton Rouge, Louisiana 70804-9275 • 617 North 3rd Street • 9th Floor • Baton Rouge, Louisiana 70802
Phone (225) 342-5540 • Fax (225) 342-8701 • www.dnr.state.la.us/conservation
An Equal Opportunity Employer

John Shiroda

From: Roby Fulkerson
Sent: Monday, June 20, 2022 10:39 AM
To: Carrie Wiebelt
Subject: FW: Poydras wells

From: John Adams (DNR) <Johnny.Adams@LA.GOV>
Sent: Monday, June 20, 2022 10:39 AM
To: Christopher Sandoz <Christopher.Sandoz@LA.GOV>
Cc: Roby Fulkerson <Roby.Fulkerson@LA.GOV>; Casandra Parker <Casandra.Parker@LA.GOV>; Patrick Courreges <Patrick.Courreges@LA.GOV>
Subject: FW: Poydras wells

Chris, below is the list of Poydras wells which are not desirable to future operators. Please have appropriate staff develop plugging procedures and forward the list of wells and plugging procedures to LORA along with a request to initiate plugging operations as soon as possible.

SN	Lease	Well #
44833	SL 1958	1
82056	SL 1958	001D
122520	VUA;SL 1958 A	1
45364	SL 1958	2
104933	SL 1958	002D
46246	MPB35 9250 RB SU;SL 1958	7
51155	SL 1958	33
81747	SL 1958	033D
215803	SL 1958	51
227644	SL 20103	1

John W. Adams, Assistant Commissioner
LDNR / Office of Conservation
P.O. Box 94275
Baton Rouge, LA 70804-9275
Phone: (225) 342-7889

CONFIDENTIALITY NOTICE