

TYLER PATRICK GRAY SECRETARY

ANDREW YOUNG
ASSISTANT SECRETARY

State of Louisiana

DEPARTMENT OF ENERGY AND NATURAL RESOURCES OFFICE OF MINERAL RESOURCES

MAY 1, 2024 FOR INFORMATIONAL PURPOSES - NO ACTION IS REQUIRED AT THIS TIME

MEMORANDUM REGARDING FORCE MAJEURE TO STATE LEASE OPERATORS

The Office of Mineral Resources (OMR) wishes to remind our lessees that the 2024 Hurricane Season begins on June 1st. Please take a moment to review the State Mineral and Energy Board's (Board) Force Majeure Policy and OMR's "How-To" guide for reporting force majeure events, which are both accessible on the Department of Energy and Natural Resources website. Please note:

- 1. The Board requires lessees to report force majeure conditions that result in the shutting-in of state leases.
- 2. The Board requires lessees to report force majeure condition in a timely manner, which is before the lease would normally expire under its own terms.
- 3. Lessees must maintain state leases under their operative payment provisions (*i.e.*, rental, shutin, deferred development, etc.) when possible. Force majeure status is available only when triggered by the circumstances delineated in the lease and/or the Board's Policy.
- 4. All new requests for force majeure recognition should be submitted using the online force majeure reporting system. Lessees who are unable to connect to the reporting system should complete the Excel spreadsheet and forward it to the Office of Mineral Resources by e-mail.
- 5. Upon receipt of a report, the OMR staff will request additional information and/or provide instruction.
- 6. All state leases that do not include force majeure language may need to be amended to include the current force majeure language.

Finally, we encourage all lessees to review and update their hurricane preparedness and emergency evacuation plans and verify emergency contact information of employees, support services, and government representatives.

If you have any questions concerning force majeure, please do not hesitate to contact Jason Talbot directly at (225) 342-4621 or by email at <u>Jason.Talbot@la.gov</u>.

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