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MINERAL RESOURCES

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INTERIM DIRECTOR
CONSERVATION

DEPARTMENT OF ENERGY AND NATURAL RESOURCES

CARBON DIOXIDE SEQUESTRATION OPERATING AGREEMENT PROCUREMENT GUIDELINES



LOUISIANA STATE MINERAL AND ENERGY BOARD AND OFFICE OF MINERAL RESOURCES

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Executive Summary

This guidance document was created by the Office of Mineral Resources (“OMR”) to memorialize the rules and procedures required to acquire an operating agreement from the State Mineral and Energy Board (“Board”) for permanent sequestration of carbon dioxide beneath state-owned land and water bottoms. The guidelines herein are intended to provide transparency and clarity to interested parties and equip the Board with the information necessary to select proposals that best serve the interests of the State of Louisiana.

There are 11 steps in the Sequestration Agreement procurement process, each with its own set of procedures and requirements outlined in further detail in the following sections of the guidelines:

1. Registration
2. Pre-Nomination Research
3. Tract Nomination
4. Nomination Review
5. Advertisement
6. Proposal Submission
7. Proposal Evaluation
8. Conditional Approval
9. Negotiation of Terms
10. Public Notice and Hearing
11. Final Approval and Execution

Applicability

The guidelines herein apply exclusively for operating agreements allowing permanent storage of carbon dioxide on state-owned lands and water bottoms subject to the administration of the Board. They do not apply to mineral leases, alternative energy leases, or any other contractual agreements administered by the Board or any another public institution.

After formal adoption by the Board, these guidelines shall be binding and enforceable by both the Board and OMR. All provisions herein shall be strictly applied, and no deviation shall be permitted unless authorized by the Board. The Board shall retain the exclusive authority to address or resolve any ambiguity, inconsistency, or conflicting interpretation of the rules and procedures set forth herein. These guidelines shall apply only on a prospective basis and shall have no effect on nominations or operating agreements authorized by the Board prior to the date of formal adoption.

These guidelines shall be construed in a manner that is consistent with all applicable statutes, administrative regulations, and public policies in effect at the time of their approval and thereafter. Nothing herein shall be interpreted as modifying, superseding, or conflicting with any such governing authorities, nor shall these guidelines be deemed to confer any rights, privileges, or obligations beyond those expressly provided under applicable legal authority.

Relevant Authorities

State Mineral and Energy Board

The Board was created in 1936 to administer the state of Louisiana’s proprietary interest in minerals. It is a body corporate, domiciled in Baton Rouge, Louisiana, with the power to sue and be sued and is composed of the governor and the secretary of the Department of Energy and Natural Resources, ex officio, and nine members appointed by the governor. La. R.S. § 30:121. The Board has authority to enter into operating agreements whereby the state receives a share of revenues from the storage of oil, natural gas, liquid or liquefied hydrocarbons, or carbon dioxide, in whole or in part, as may be agreed upon by the parties, and assumes all or a portion of the risk of the cost of the activity in those situations where the Board determines it is in the best interest of the state either in equity or in the promotion of conservation to do so. La. R.S. § 30:209. The Board holds regular public meetings on the second Wednesday of each month in the LaBelle Room, located on the first floor of the LaSalle Building in downtown Baton Rouge, Louisiana—617 North Third Street, Baton Rouge, LA 70802. For additional information, visit the [Board’s website](#).

Office of Mineral Resources

OMR, a subdivision of the Louisiana Department of Energy and Natural Resources, provides the necessary staff functions to assist the Board in its leasing, supervisory, and other activities, and OMR’s assistant secretary serves as secretary to the Board. La. R.S. § 30:135. OMR works in conjunction with the Board to manage each aspect of the administration of state-owned minerals—including the drafting, execution, and oversight of state mineral and energy leases and operating agreements and collection of revenues therefrom. Office operations are divided into four functional subdivisions—the Executive Division, the Energy Lands Division, the Geology and Engineering Division, and the Mineral Income Division. For additional information, visit [OMR’s website](#).

Public Records

As public bodies, the Board and OMR are subject to the provisions of the Louisiana Public Records Law, La. R.S. § 44:1, *et seq.* Accordingly, records, documents, and other information submitted to OMR or the Board in connection with the procurement process, including but not limited to proposals, supporting documentation, evaluations, and each resulting Sequestration Agreement, are subject to disclosure unless exempted by applicable law.

Each individual or entity who submits information pursuant to these guidelines acknowledges that OMR and the Board will comply with the Louisiana Public Records Law and may be required to disclose information designated as confidential if required by law or ordered by a court of competent jurisdiction. It is the responsibility of each party who participates in the procurement process to comply with Louisiana Public Records Law in seeking exemption of any portion of its submission.

Respondents are strongly encouraged to review all relevant provisions of the Louisiana Public Records Law and consult with legal counsel as necessary to understand their obligations and the potential for disclosure of records submitted in connection with these procurement guidelines. Neither OMR nor the Board shall be liable to a Respondent for the disclosure of any public record, including records deemed confidential by the respondent, if required by applicable law or judicial order.

Equal Opportunity

OMR and the Board are fully committed to equal, merit-based opportunities for all parties participating in the procurement procedures set forth herein. The Board upholds the principles of fairness,

transparency, and non-discrimination, ensuring that all qualified individuals and entities have access to Louisiana's energy resources.

All evaluations and awards shall be conducted in a fair, objective, and professional manner, with final decisions based on merit, financial and operational capability, technical expertise, regulatory compliance, and alignment with the State's strategic energy and environmental objectives. The Board and OMR will conduct procurement procedures without bias or preferential treatment, maintaining strict adherence to all applicable authorities governing state contracts and agreements.

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Definitions

Applicable Law. Any applicable, valid, final, and non-appealable federal or state statute, law, rule, or order, or any judicial decision, as may now be in effect or which may be enacted, adopted, or made effective at a future date.

Applicable Procedure. Any valid, final, and non-appealable standard, procedural rule, regulation, permit, or order, as may now be in effect or which may be enacted, adopted, or made effective at a future date.

Approval Deadline. The date by which Final Approval of a Sequestration Agreement proposed to the State Mineral and Energy Board must be considered and awarded by a vote of two-thirds of the Board's members. Unless otherwise permitted by the Board, the Approval Deadline is the date of the sixth regular monthly meeting of the Board following the meeting at which the Board awarded Conditional Approval to a Respondent.

Board. The Louisiana State Mineral and Energy Board or any successive entity authorized by law to oversee mineral and energy agreements on behalf of the State of Louisiana.

Conditional Approval. A provisional authorization granted by the Board allowing a Respondent the exclusive right to proceed with the negotiation of final terms for a Sequestration Agreement.

CO₂. Carbon dioxide captured from an emission source, together with associated substances derived from source materials or capture processes or added to enable or improve injection and permanent storage.

Department. The Louisiana Department of Energy and Natural Resources and any of its designated divisions, agencies, offices, or personnel. This term shall also include any subsequent entity, agency, or department that may assume the same or similar responsibilities under a different name or through reorganization, restructuring, or renaming.

DXF. A Digital Exchange Format file format used for geospatial mapping and tract boundary delineation in the nomination and proposal process.

Final Approval. Formal authorization granted by the Board by a two-thirds vote of its members, following completion of all procedures herein and those required by Applicable Law and Applicable Procedure, including public hearings as required by La. R.S. § 30:209(4)(e), whereby the Board approves the final terms and conditions of a Sequestration Agreement and authorizes its execution by all required parties. Final Approval shall take place on or before the Approval Deadline.

Nominated Tract. A specific parcel of state-owned land or water bottoms proposed for inclusion in a Sequestration Agreement that has been formally approved for nomination by the Board.

Nomination Packet. The comprehensive set of documents and information required for a registered party to nominate a specific tract of state lands and water bottoms for a Sequestration Agreement.

OMR. The Office of Mineral Resources within the Department or any successive office that is responsible for administrative functions of the Board.

Pre-Nomination Research. Research as to the category, title, and commercial availability of a tract of interest to be compiled and submitted to OMR by a party interested in nominating the tract for a Sequestration Agreement.

Parish Notice. The written notification issued by OMR to the governing authority of each parish in which the tract subject to Conditional Approval is located pursuant to La. R.S. § 30:209(4)(e). Parish Notice may be issued via electronic mail or any other method deemed appropriate by OMR.

Proposal Deadline. The final date by which a Proposal Packet must be submitted to OMR for consideration for a Sequestration Agreement on a Nominated Tract. The Proposal Deadline shall be set by OMR at a date no later than 90 days following the date on which the Board authorized the nomination.

Proposal Packet. The comprehensive set of documents and information required from a Respondent seeking to obtain a Sequestration Agreement for a tract nominated and advertised pursuant to the procedures herein.

Public Hearing. The public forum conducted on behalf of the Board in each parish where a tract subject to Conditional Approval is located as required by La. R.S. § 30:209(4)(e). The Public Hearing(s) must take place before the Board awards Final Approval of a Sequestration Agreement. Public Hearings shall be conducted by a hearing officer appointed by the Assistant Secretary of OMR or an equivalent unclassified public official responsible for any successor office administering the Board's duties.

Respondent. Any individual, corporation, partnership, or other legal entity that submits a Proposal Packet to OMR in response to an advertisement for a Sequestration Agreement.

Registration Packet. The comprehensive set of documents and information that a party must submit to OMR as a prerequisite to nominating a tract for a Sequestration Agreement.

Sequestration Agreement. An operating agreement issued by the Board conveying the right to permanently store CO₂ beneath state-owned land and water bottoms as permitted by La. R.S. § 30:209(4)(e).

Voting Date. The scheduled meeting of the Board at which a determinative vote will be held on whether to award a Sequestration Agreement to a Respondent following the proposal evaluation process.

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Sequestration Agreement Procurement Procedures

1. Registration

- 1.01 Registration Requirement. A party seeking to nominate a tract or submit a proposal for a Sequestration Agreement shall first register with OMR by submitting each of the following:
- a. Registration Form. An administratively complete Registration Form with all required attachments. The Registration Form is attached hereto as Exhibit A. It is also accessible on [OMR's website](#).
 - b. Certification. A written certification, signed by the registrant or a representative authorized to sign on its behalf, certifying that all registration information submitted to OMR is complete, current, and accurate and acknowledging the registrant's obligation to renew its registration status annually.
- 1.02 Renewal. Each registrant shall renew its registration status by January thirty-first of each year by updating all registration information on file with OMR.
- a. Failure to Renew. A Sequestration Agreement executed by the Board may contain a clause imposing a financial penalty for the operator's failure to maintain complete and updated registration information.

2. Pre-Nomination Research

- 2.01 Required Pre-Nomination Research. Before accepting a nomination for approval and advertisement, OMR must have a comprehensive understanding of the location, characteristics, ownership, and title of the tract of interest to verify that it is commercially available and subject to the Board's jurisdiction. A party seeking to nominate a tract for a Sequestration Agreement shall first compile and submit a report with information as to the category, title, and commercial availability of the tract of interest (collectively, "Pre-Nomination Research") to OMR as a basis for review and approval.
- a. Category Research. State lands and water bottoms falling within the categories listed below have unique characteristics that, in some circumstances, require special consideration by OMR, the Board, or the party seeking to nominate them. The interested party shall categorize the lands or water bottoms to be nominated in advance of nomination as set forth below. If the land making up the tract is composed of multiple categories, the interested party shall identify each applicable category and clearly delineate the boundaries between them using appropriate mapping or descriptive references.
 - i. Offshore. The lands and water bottoms in this category are owned by the state and lie seaward of the Louisiana coastline, but landward of the line lying three geographic miles from the Louisiana coastline, as decreed by the United States Supreme Court in *United States v. State of Louisiana et al.*, 422 U.S. 13, 95 S.Ct. 2022, 44 L.Ed.2d 652 (U.S. Jun 16, 1975) (NO. 9, ORIG.). The X-Y coordinates of the Louisiana coastline, using the Louisiana plane coordinate system [NAD 1927], south zone, are provided in Exhibits A and B (the latter providing time

period variations to the coordinates set forth in Exhibit A) to the Court's fourth supplemental decree in the above-referenced lawsuit. The X-Y coordinates of the three geographic mile line (hereinafter "Three Mile Line" or "Three Mile Boundary"), using the Louisiana plane coordinate system [NAD 1927], south zone, are provided in Exhibit A to the Court's final decree in the above-referenced lawsuit. Questions concerning Offshore lands and water bottoms should be directed to the State Land Office, Division of Administration, (225) 342-4578.

- ii. Inland. The lands and water bottoms in this category are owned by the state and lie landward of the Louisiana coastline as decreed by the United States Supreme Court in *United States v. State of Louisiana et al.* Inland lands and water bottoms fall under the Inland category only if they do not fall under one other categories listed herein. Questions concerning Inland lands and water bottoms should be directed to the State Land Office, Division of Administration, (225) 342-4578.
- iii. Louisiana Department of Wildlife and Fisheries Area (State Owned). The lands and water bottoms in this category are *owned by the state* and located within the geographical boundaries of named wildlife management areas, refuges, preserves, or similarly defined and designated areas under the jurisdiction and control of the Louisiana Department of Wildlife and Fisheries ("LDWF"). The Board, with the support of OMR, has the authority to enter into Sequestration Agreements on state owned lands and water bottoms falling within a LDWF Area. However, the LDWF must concur with any Sequestration Agreement encumbering property under its jurisdiction and control, and any Sequestration Agreement granted on such property must adopt and incorporate LDWF special rules, provisions, regulations and other limitations on activity for that area. Questions concerning LDWF Areas should be directed to the LDWF, Office of Wildlife, Fur and Refuge Division, (504) 568-5886.
- iv. Louisiana Department of Wildlife and Fisheries Area (LDWF Owned). The lands and water bottoms in this category are *owned by LDWF* and located within the geographical boundaries of recognized and named wildlife management areas, refuges, preserves, or similarly defined and designated areas under the jurisdiction and control of the LDWF. Under terms of an Inter-Agency Agreement between LDENR and LDWF, LDENR and the Board have the exclusive authority to lease, administer and manage the use of underground reservoirs for storage in and upon all LDWF agency lands. However, the LDWF must concur with any Sequestration Agreement encumbering property under its jurisdiction and control, and any Sequestration Agreement granted on such property must adopt and incorporate LDWF special rules, provisions, regulations and other limitations on activity for that area. Questions concerning LDWF Areas should be directed to the LDWF, Office of Wildlife, Fur and Refuge Division, (504) 568-5886.
- v. School Indemnity Lands. The United States government reserved each Section 16 in each township in Louisiana to be held in the public trust for school purposes. When a Section 16 of a given township was lacking full acreage (640 acres), the United States government set aside other lands in the state for the benefit of the lacking township and permitted the State to select acreage therefrom in lieu of the Section 16 School Lands. 43 U.S.C. § 851. The lands selected in lieu of the Section

16 School Lands are commonly referred to as School Indemnity Lands. The state holds title to these lands in trust for public school purposes. Questions concerning School Indemnity Lands should be directed to the State Land Office, Division of Administration, (225) 342-4578.

- vi. Tax Adjudicated Lands. When a tax debtor owning immovable property in Louisiana fails to pay taxes on that property, the tax collector for the relevant parish is authorized by law to offer the property for sale at an advertised public sale. Prior to 1974, immovable property offered for such a tax sale that was neither sold nor redeemed was adjudicated to the state. Thereafter, said property was and continues to be adjudicated to the relevant parish. Questions concerning Tax Adjudicated Lands should be directed to the State Land Office, Division of Administration, (225) 342-4578.
 - vii. Vacant State Lands. Title to the lands and water bottoms in this category originated in the United States of America, was transferred by congressional act to the state of Louisiana, and is non-severed from the state of Louisiana. Examples of Vacant State Lands include swamp and overflowed lands, internal improvements lands, and swamp indemnity lands. Questions concerning Vacant State Lands should be directed to the State Land Office, Division of Administration, (225) 342-4578.
 - viii. White Lake. Acreage in this category is owned and/or claimed by the state of Louisiana and lies within the geographical boundaries of White Lake, located in Vermilion Parish, State of Louisiana. Past title disputes involving White Lake acreage have resulted in four different subcategories of White Lake acreage: (i) White Lake Water Bottoms as of 1942; (ii) White Lake Eroded Shoreline from 1942; (iii) White Lake Alleged Section 16 School Lands; and (iv) White Lake Acreage East of the Louisiana Meridian (Range 1 East). Questions concerning any special procedural documentation and information requirements for each of the four subcategories of White Lake acreage should be directed to the OMR. All other questions concerning White Lake acreage should be directed to the State Land Office, Division of Administration, (225) 342-4578.
- b. Title Research. A party seeking to nominate state lands and water bottoms shall conduct title research prior to nomination to determine and confirm that the state owns or claims ownership to or jurisdiction over the tract of interest. Questions concerning the state's claim to the tract of interest should be directed to the State Land Office, Division of Administration, (225) 342-4578.
 - c. Availability Research. In certain circumstances, preexisting encumbrances or regulatory mechanisms may limit or preclude a Sequestration Agreement or the exercise of rights incidental thereto. The interested party shall identify each active encumbrance, instrument, or regulatory mechanism that may preclude or impede development of the tract of interest, including without limitation those set forth below. Questions concerning tract availability should be directed to the Office of Mineral Resources, Energy Lands Division.
 - i. Active leases, operating agreements, servitudes, rights-of-way, or any other contract for mineral, water bottom, or alternative energy development;

- ii. State lands and water bottoms that have been nominated and approved for advertisement by the Board to be bid upon in the future;
- iii. Moratoria or other mandates by federal, state, or local government precluding or materially impeding sequestration of CO₂ or related activities beneath the tract of interest; or
- iv. Reservations of rights or restrictive conditions in a prior sale or donation of the tract of interest that may preclude or materially impede CO₂ sequestration or related activities.

2.02 Pre-Nomination Research Submittals. An interested party shall conduct all Pre-Nomination Research and provide OMR with a written report of its findings and a certification of completeness, correctness, and accuracy.

- a. Report. The Pre-Nomination Research report shall contain three independent sections—Category Findings, Title Findings, and Availability Findings—each postured as its own subsection of the report and including the information required below. Relevant references, sources, or graphical illustrations may be attached.
 - i. Category Findings. An itemized list of each state land and water bottom category applicable to the tract of interest and one or more plat map(s), in the form of a PDF file, illustrating the categorical distribution.
 - ii. Title Findings. A written description of each party claiming ownership of, or title to, the tract of interest. The written description shall describe any title conflict identified through Pre-Nomination Research. If no title conflict was identified, a certification that the State of Louisiana, or one or more state agencies or political subdivisions owns or claims the entirety of the tract of interest.
 - iii. Availability Findings. A statement identifying each preexisting encumbrance or regulatory mechanism that may preclude or impede rights necessary for, or incidental to, the sequestration of CO₂ beneath the tract of interest. If no encumbrance or regulatory mechanism was identified, a certification by the interested party that no such conflict exists.
 - iv. Any other information required in § 2.01 or requested by OMR.
- b. Certification. The interested party shall provide a written statement, signed by the interested party or a representative authorized to sign on its behalf, certifying that the Pre-Nomination Research submitted to OMR is complete, current, and accurate to the best of the interested party's information and belief.
 - i. Misrepresentations and Inaccuracies. Any material misrepresentation or inaccuracy may result in rejection of the nomination; forfeiture of any fees submitted, disqualification from future nominations, or other remedies permitted by the Board.

- 2.03 Review and Approval. Upon receipt of the Pre-Nomination Research report and certification, OMR shall review the categorization, title, and availability of the Nominated Tract.
- a. Additional Information. OMR may request clarification or additional documents or information from the interested party to clarify or complete the Pre-Nomination Research report. The interested party shall comply with OMR's requests in good faith and in a reasonably timely manner.
 - b. Deficiencies. If OMR identifies any deficiencies in the Pre-Nomination Research, it shall issue written notice to the interested party itemizing and, if applicable, providing instructions to remedy each deficiency.
 - a. Unavailability. If OMR determines that all or part of the tract of interest is unavailable for nomination, OMR shall provide written notice to the nominating party clearly identifying the unavailable acreage and identifying each basis for unavailability. The interested party may adjust the tract of interest accordingly.
 - c. Approval. If OMR is satisfied that the Pre-Nomination Research is complete, current, and accurate, and that the availability of the tract has been properly established, it shall issue written approval authorizing the interested party to proceed with nomination in accordance with the procedures set forth below.

3. Tract Nomination

- 3.01 Nomination. A party who has registered with OMR and whose Pre-Nomination Research has been approved by OMR may nominate state lands and water bottoms for a Sequestration Agreement by submitting an administratively complete Nomination Packet to OMR. Upon formal approval of the nomination by the Board as provided in § 4.04, the Nominated Tract becomes unavailable for subsequent conflicting nominations until the procedures herein are complete or the resulting Sequestration Agreement expires or terminates, whichever occurs later.
- 3.02 Nomination Packet Requirements. The Nomination Packet shall contain the following information.
- a. Nomination Letter. A written statement, signed by the nominating party or a representative authorized to sign on its behalf, declaring the nominating party's intent to nominate the tract of interest and certifying that the information in the Nomination Packet is a complete, current, and accurate representation of the tract of interest.
 - b. Written Property Description of Proposed Acreage. A written description clearly identifying the nominated acreage meeting the following requirements:
 - i. A designated point of beginning using X-Y coordinates based on the Louisiana Coordinate System of 1927, North or South Zone (as applicable), then going clockwise fully write out (no abbreviations or symbols) bearing and distance to the next X-Y coordinates for each corner back to the point of beginning; and

- ii. The gross and net acreage amounts of state lands and water bottoms contained within the proposal area.
- c. Plat Map of Proposed Acreage. One or more plat map(s), in the form of a PDF file, of the proposed tract including the following requirements:
 - i. Up-to-date satellite background imagery, including the name and date of the imagery used;
 - ii. X-Y coordinates based on the Louisiana Coordinate System of 1927, North or South Zone (as applicable);
 - iii. An outline of the proposed tract with a designated point of beginning and corners using X-Y coordinates that exactly match the X-Y coordinates for the point of beginning and corners provided in the written property description, clearly labeled therein;
 - iv. An outline of the state lands and water bottoms falling in the nomination area, clearly labeled along with the acreage amount contained therein;
 - v. An outline of any Louisiana Wildlife and Fisheries Commission/LDWF property, school indemnity lands, tax adjudicated lands, vacant state lands, White Lake, and legal areas falling in the nomination area, clearly labeled along with the acreage amount contained in each;
 - vi. An outline of any lands and water bottoms not belonging to the state of Louisiana falling in the proposal area, clearly labeled "Not State Owned" along with the acreage amount contained therein;
 - vii. All water bodies, clearly labeled;
 - viii. The block system (if applicable), with block names and numbers;
 - ix. Section, township, range information (if applicable); and
 - x. Parish name(s).
- d. Drawing Exchange Format ("DXF") File. If the nominated acreage is susceptible of being described using bearing, distance and X-Y coordinates based on the Louisiana Coordinate System of 1927, then the nominating party shall provide a .DXF file containing only the boundary of the nominated acreage on the nomination USB drive. This boundary shall be a single line with no additional lines, labels, text, or graphics, and shall be constructed of individual line segments between vertices. The X-Y coordinates in the .DXF file shall exactly match those in the written property description and the plat.
- e. Minor Tract Exception; Application. If applicable, a written request for application of the Minor Tract Exception, including supporting documentation of project-wide acreage,

ownership or control of adjacent tracts, and rationale for inclusion of the state-owned tract. *See* § 4.05.

- f. Pre-Nomination Research. A copy of OMR's written approval of the Pre-Nomination Research. *See* § 2.02 and 2.03.
- g. Form. The nominating party shall submit one electronic copy and one paper copy of the Nomination Packet to OMR.
 - i. The electronic copy shall be submitted via electronic mail to OMR at OMR@la.gov or on a USB drive delivered by hand or via certified mail or commercial courier to OMR at one of the addresses below.
 - ii. The paper copy shall be delivered by hand or via certified mail or commercial courier to OMR at one of the addresses below.

Mailing Address

Office of Mineral Resources
Attn: Energy Lands Division
Department of Energy and Natural Resources
617 North Third Street
8th Floor, Office No. 837
Baton Rouge, Louisiana 70802

Post Office Box Address

Office of Mineral Resources
Attn: Energy Lands Division
Department of Energy and Natural Resources
Post Office Box 2827
Baton Rouge, Louisiana 70821-2827

- 3.03 Inquiries. Questions concerning the nomination procedure and submission requirements should be directed to the Director of OMR's Energy Lands Division.

4. Nomination Review

- 4.01 Review. OMR shall review the Nomination Packet to confirm compliance with all applicable requirements. OMR determines which nominations are compliant, which are deficient and may be made compliant by the nominating party, and which nominations must be rejected and returned. OMR also processes requests for withdrawal.

- a. Complete Nomination Packet. If OMR determines that the Nomination Packet is administratively complete and that the nomination meets all applicable requirements, OMR shall assign a number to the Nominated Tract and place a nomination approval item on the agenda for the next regular meeting of the Board. *See* Nomination Approval, § 4.04.
 - i. Notice. OMR shall provide written notice of the designated tract number and agenda item to the nominating party in advance of the Board meeting at which the nomination will be considered.
- b. Deficiencies. If OMR determines that the Nomination Packet fails to comply with one or applicable requirements, OMR shall provide written notice to the nominating party identifying each deficiency and providing a deadline by which the nominating party must remedy it. If the nominating party fails to remedy all identified deficiencies as required,

OMR may either reject and return the Nomination Packet or send supplemental notices of deficiency with a deadline by which the nominating party must remedy such deficiencies.

- 4.02 Withdrawal of Nomination. The nominating party may withdraw a nomination at any time before Board approval by submitting a written request for withdrawal to OMR. OMR shall reject and return the Nomination Packet and provide the nominating party with written confirmation of withdrawal.
- 4.03 Confidentiality. The Nomination Packet and all information therein shall be held confidential by OMR to the extent permitted by Applicable Law and Applicable Procedure. It is the responsibility of the nominating party to comply with the provisions of the Louisiana Public Records Law and Applicable Law when submitting any information it seeks to designate as confidential, including the proper marking, justification, and identification of such information. *See Public Records, p. 4.*
- 4.04 Nomination Approval. After review of the nomination approval item placed on its agenda by OMR, the Board may by resolution approve of the nomination and, if applicable, authorize public advertisement of the Nominated Tract. The resolution shall name the nominating party, describe the Nominated Tract and its designated number, and state the date and time of the deadline to submit proposals for a Sequestration Agreement (“Proposal Deadline”) on all or part of the Nominated Tract.
- a. Proposal Deadline. Unless otherwise permitted by Board resolution, the Proposal Deadline shall be set by OMR at a date no greater than 90 days following the date on which the Board approved the nomination.
- 4.05 Minor Tract Exception. The Board may by resolution alter or waive the procedural requirements set forth in § 5.01 and § 5.02 of these guidelines in cases where the Nominated Tract represents a de minimis portion of a larger carbon sequestration development plan. For purposes of this provision, “de minimis” shall generally mean less than twenty-five (25%) of the total surface acreage associated with the proposed project or such other proportion as the Board deems appropriate based on the scale, configuration, or geographic integration of the project. In determining whether the exception is appropriate, the Board may consider factors including, but not limited to, the location of the state tract in relation to the larger project area, whether the project is contiguous and under unified development, and the extent of the Respondent’s demonstrated interest or control over the remaining project acreage.
- a. Minor Tract Exception; Resolution. A Board resolution approving a nomination subject to the Minor Tract Exception shall clearly establish the specific procedural framework governing the nomination and proposal process for the affected tract. The resolution shall, at a minimum:
- i. Identify whether competitive proposals will be accepted for the tract;
 - ii. Set a Proposal Deadline, if applicable;

- iii. Specify any advertisement requirements or alternative notice provisions the Board deems appropriate; and
- iv. Prescribe any additional conditions, deadlines, or submission requirements applicable to the Respondent.

5. Advertisement

5.01 Advertisement. After the Board approves of nomination, OMR shall publish an advertisement of the Nominated Tract on the [Board's website](#), in the official journal of the state and, where practicable, the journal of each parish where the Nominated Tract is located. OMR may publish the advertisement elsewhere at its discretion.

- a. Required Language. The advertisement shall contain the information set forth below and may contain any other relevant information or stipulations as provided by OMR.
 - i. The designated number for the Nominated Tract;
 - ii. A statement that the tract was nominated for purposes of obtaining a Sequestration Agreement from the Board;
 - iii. A written description of the Nominated Tract;
 - iv. A plat map of the Nominated Tract; and
 - v. The date and time of the Proposal Deadline for the Nominated Tract.

5.02 Timing. Unless otherwise permitted by Board resolution, the advertisement shall be published no fewer than 60 days prior to the Proposal Deadline.

5.03 Notice to Parish. OMR shall issue notice of the proposed Sequestration Agreement to the governing authority of each parish whose jurisdiction is within the confines of the Nominated Tract.

- a. If the Nominated Tract is advertised, OMR shall issue a copy of the advertisement to the governing authority of each relevant parish within 30 days of first publication.
- b. If advertisement is waived by the Board pursuant to the Minor Tract Exception or otherwise, OMR shall provide written notice of the nomination to the governing authority of each relevant parish within 30 days of the Board's approval thereof.

6. Proposal Submission

6.01 Proposal Requirement. A Respondent may submit a proposal for a Sequestration Agreement on all or part of the Nominated Tract by submitting a timely and administratively complete Proposal Packet to OMR. The Proposal Packet consists of a collection of informational reports

that together provide a comprehensive overview of the Respondent's qualifications, experience, operational capacity, and development plans.

6.02 Proposal Packet Requirements. The Proposal Packet shall consist of an Executive Summary, Acreage Proposal, Entity Profile, Technical Proposal, Operational Proposal, Environmental Proposal, and Fundamental Terms Proposal—each containing the information and adhering to the form requirements set forth below.

- a. Executive Summary. The Executive Summary serves as a comprehensive, high-level overview of the Respondent's Proposal Packet, providing a concise but substantive synopsis of each key component of the proposal. It should introduce the Respondent and clearly articulate the overall value and strategic vision of the proposal as it pertains to the State of Louisiana. The Executive Summary, including all related attachments, shall not exceed five pages in length.
- b. Acreage Proposal. The Acreage Proposal identifies the portion of the Nominated Tract that is subject of the Respondent's proposal. Unless otherwise permitted by OMR, the Acreage Proposal, including all related attachments, shall not exceed 10 pages in length.
 - i. Proposal for Entire Nominated Tract. If the Respondent's proposal includes the entirety of the Nominated Tract, the Respondent shall submit a written letter, signed by the Respondent or a person authorized to sign on its behalf, advising OMR of such. No further tract identification information is required.
 - ii. Proposal for Portion of Nominated Tract. If a Respondent's proposal seeks rights to a portion of the Nominated Tract that is less than the whole tract, the Respondent must provide the following additional tract identification information:
 1. Written Property Description. A written description clearly identifying the acreage subject of the proposal. The property description shall contain the following requirements:
 - A. A designated point of beginning using X-Y coordinates based on the Louisiana Coordinate System of 1927, North or South Zone (as applicable), then going clockwise fully write out (no abbreviations or symbols) bearing and distance to the next X-Y coordinates for each corner back to the point of beginning.
 - B. The gross and net acreage amounts of state lands and water bottoms contained within the proposal area.
 2. Plat Map(s). One or more plat map(s), in the form of a PDF file, of the tract including the following requirements:
 - A. Up-to-date satellite background imagery, including the name and date of the imagery used;

- B. X-Y coordinates based on the Louisiana Coordinate System of 1927, North or South Zone (as applicable);
 - C. An outline of the proposed tract with a designated point of beginning and corners using X-Y coordinates that exactly match the X-Y coordinates for the point of beginning and corners provided in the written property description, clearly labeled therein;
 - D. All water bodies, clearly labeled;
 - E. The block system (if applicable), with block names and numbers;
 - F. Section, township, range information (if applicable);
 - G. Parish name(s); and
 - H. A plat identifying all wells and seismic data that have been used in the Respondent's evaluation.
3. Drawing Exchange Format ("DXF") File. If the Nominated Tract was described in the advertisement using bearing, distance, and X-Y coordinates based on the Louisiana Coordinate System of 1927, then the Respondent shall include a .DXF file containing only the boundary of the tract on a USB drive. This boundary shall be a single line with no additional lines, labels, text, or graphics, and shall be constructed of individual line segments between vertices. The X-Y coordinates in the .DXF file shall exactly match those in the written property description and the plat.
- c. Entity Profile. A written Entity Profile with sections entitled Entity Information, Personnel, Financial Profile, Contract History, Litigation History, and Conflicts of Interest—each containing the information and records required below. Unless otherwise permitted by OMR, the Entity Profile, including all related attachments, shall not exceed 25 pages in length.
- i. Proof of Registration. The Entity Profile shall include proof of registration with OMR. A Respondent who has not previously registered with OMR shall provide an administratively complete Registration Form with all required attachments. All Respondents shall include a written certification, signed by the Respondent or a representative authorized to sign on its behalf, certifying that that the registration information submitted to OMR, or already on file with OMR, is complete, current, and accurate, and acknowledging the Respondent's obligation to renew its registration status annually.
 - ii. Entity Information. The Entity Information section shall include the name of the Respondent, its year and place of incorporation, a list of all states in which it is authorized to do business, and its organizational structure, including parent

companies, subsidiaries, and affiliated companies whose relationship with the Respondent relates to the subject proposal.

1. Corporations shall identify each individual or entity owning 10% or more of shares. For any entity shareholders, disclose the ownership structure of that entity, including the identification of individuals or entities owning 10% or more of its shares, continuing through all levels of ownership.
 2. Limited liability companies shall identify each member.
 3. Partnerships shall identify each partner.
 4. The Respondent shall identify each affiliate company whose relationship with the Respondent relates to the subject proposal and provide a narrative description of the affiliate's role.
- iii. Personnel. The Personnel section shall identify each individual planned or envisioned at the time of proposal submission to have significant supervisory responsibilities for the proposed project. For each individual, provide:
1. Name
 2. Position Title; and
 3. A description of the person's responsibility with respect to the proposed project or the Sequestration Agreement.
- iv. Financial Profile. The financial profile section shall include the following information evidencing the Respondent's financial standing.
1. Publicly traded corporations shall submit SEC Form 10-K filings for the three calendar years preceding the proposal year. Other entities shall submit accrual-basis financial statements—including an income statement, cash flow statement, and balance sheet—for the three calendar years preceding the proposal year;
 2. An accrual-basis financial statement of the Respondent's most recent quarter of operation;
 3. Written and itemized disclosure of any events, liabilities, or contingent liabilities that could affect the Respondent's financial ability to perform under a Sequestration Agreement;
 4. If the Respondent is a partly or wholly owned affiliate of a larger parent or holding company and that the required "financial profile" is provided for the latter entity, the proposal shall contain a written statement that clarifies that affiliate relationship and the extent to which the parent or holding company will provide necessary financial support and risk coverage for operations under the proposed Sequestration Agreement; and

5. A writing signed by the Respondent or an agent thereof certifying that the financial information submitted in the financial profile has been audited or certified by a licensed Certified Public Accountant.
- v. Contract History. The contract history section shall indicate whether the Respondent or any parent company, subsidiary, or affiliate, named in the entity profile has ever been engaged under a contract by any Louisiana state agency or political subdivision, including without limitation any lease, operating agreement, servitude, or right-of-way contract for mineral, water bottom, or alternative energy purposes. Describe the fundamental details of each agreement and identify each agency or political subdivision named as a party.
 - vi. Litigation History. The litigation history section shall provide a complete disclosure of all instances in which the Respondent, or its parent, subsidiary, or affiliate, was alleged or found to have breached a commercial contract within the last 10 years. In addition, the Respondent must disclose any civil or criminal litigation or criminal investigation pending at any time during the last three years that involves Respondent's work on or involvement with a construction, pipeline, industrial, or other type of project generally similar to the Project, as well as any in which Respondent has been judged guilty or liable. For each instance of litigation or criminal investigation, Respondent shall list:
 1. Case information (*e.g.*, cause number/case number, venue, names of parties, name of investigating entity);
 2. A description of claims alleged by or against Respondent or its parent, subsidiary, or other affiliate; and
 3. For each resolved case, a description of the disposition of Respondent's involvement (*e.g.*, settled, dismissed, judgment entered, etc.).
 - vii. Conflicts of Interest. The conflicts of interest section must disclose any potential conflict of interest between the Respondent or any parent, subsidiary, or affiliate thereof and the Department, Board, or the Board's members that would contravene Louisiana ethics laws.
- d. Technical Proposal. The Technical Proposal should exhibit the Respondent's understanding of the pore space underlying the Nominated Tract and its capacity and suitability responsible for permanent carbon sequestration. As best able, Respondent should outline its approach to development, construction, operation, monitoring, and closure of the project—clearly describing the methodologies, technologies, and technical capabilities to be employed. Unless otherwise permitted by OMR, the Technical Proposal, including all related attachments, shall not exceed 15 pages in length. Considerations may include:
 - i. Geological and geophysical maps or models of pore space beneath the Nominated Tract illustrating target storage reservoirs and sealing units; facies map(s), quality map(s); depth structure map(s); sealing boundaries (*e.g.*, salt features, stratigraphic

- discontinuity); pressure map(s); thickness (isochore) map(s); or containment map showing stratigraphic seal presence;
- ii. Written or graphical assessment(s) of injectivity and capacity;
 - iii. An injection plan illustrating potential injection and monitoring well positions and expected injection rates;
 - iv. Reservoir simulation model(s) predicting distribution of CO₂ following the injection period; and
 - v. A description of the proposed pipeline infrastructure necessary to support the project, including the intended pipeline routes, rights-of-way (if known), and any interconnections to capture, transport, or delivery systems. Visual illustrations such as maps or diagrams should be provided where available.
- e. Operational Proposal. The Operational Proposal should demonstrate the Respondent's capability to effectively execute, manage, and sustain the proposed carbon sequestration project. It should present a clear and credible plan for securing, organizing, and deploying the resources necessary to support the development, operation, and long-term oversight of the project. The proposal must address all major phases of the project lifecycle—including carbon dioxide capture, transport, injection, monitoring, and decommissioning—and should describe the Respondent's organizational structure, management approach, and relevant experience in comparable project execution. Unless otherwise permitted by OMR, the Operational Proposal, including all related attachments, shall not exceed 15 pages in length. Considerations may include:
- i. A description of the Respondent's plan to finance the activities necessary to develop the project subject of the proposal, including without limitation acquisition of the Sequestration Agreement, permitting, necessary studies, operations, post-closure monitoring, and decommissioning;
 - ii. The operational capability of the Respondent and relevant parent, subsidiary or affiliate entities to plan, develop, and execute the proposed project including subject matter expertise, experience developing large-scale industrial projects and complying with permitting requirements, capital availability, and technology resources;
 - iii. The process by which CO₂ to be stored pursuant to the Sequestration Agreement will be for captured, sourced, and transported; and
 - iv. The Respondent's plan to generate and realize value from regulatory, market-based, or voluntary carbon credits.
- f. Environmental Proposal. The Environmental Proposal should demonstrate the Respondent's approach to ensuring the safety of project operations, the protection of the environment, and the conservation of natural resources. The Proposal must demonstrate the Respondent's commitment to regulatory compliance, risk management, and

community engagement. Unless otherwise permitted by OMR, the HSE Proposal shall not exceed 15 pages in length. Considerations may include:

- i. The Respondent's plan for engaging local communities, regulators, and other stakeholders throughout the project lifecycle, ensuring transparency and addressing community concerns;
 - ii. Discussion of compliance with Class VI well requirements to ensure regulatory adherence and operational accountability;
 - iii. A list of all permits that will be required for the project;
 - iv. The Respondent's track record in maintaining health, safety, and environmental standards on previous projects, including certifications, safety metrics, and compliance history; and
 - v. The extent to which proposed operations may impact or preclude hydrocarbon production and storage at depths above and below the storage repository, wind energy development, and other alternate uses of the tract subject of the proposal.
- g. Fundamental Terms Proposal. The Fundamental Terms Proposal shall include two subparts—one detailing the Respondent's proposed term structure for the Sequestration Agreement, and the other detailing all elements of consideration pledged in exchange for the rights to be provided in the Sequestration Agreement.
- i. Term Proposal. The Respondent may propose a term structure based on the Board's default terms—which include a development term, construction term, and operations term—or an alternate term structure as provided in § 6.02(g)(iii-iv). The default term structure set forth below is for illustrative purposes only. The Respondent may modify or alter its Term Proposal as appropriate.
 - 1. Development Term. The development term is the period immediately following the effective date of the Sequestration Agreement during which the operator must apply for a Class VI permit. The operator may also conduct due diligence and appraise the feasibility of the project through the rights granted in the Sequestration Agreement. The development term shall not exceed four years following the effective date of the Sequestration Agreement, unless extended for up to two additional two-year increments at the Board's discretion.
 - 2. Construction Term. The construction term begins upon the operator's acquisition of a Class VI permit for underground sequestration of CO₂ in the area subject to the Sequestration Agreement and ends upon the commencement of injection into the pore space underlying all or part of the Nominated Tract. The construction term shall not exceed three years from the end of the calendar year during which the operator obtained the

Class VI permit, unless extended for up to three additional one-year periods at the Board's discretion.

3. Operational Term. The operational term begins on the date of commencement of injection and continues for so long as injection continues without a gap of more than one year, unless extended at the Board's discretion.
- ii. Consideration Proposal. The Respondent may propose a consideration structure based on the Board's default compensation structure—which includes a one-time initial cash bonus, annual rental payments for the extent of project development and construction, and injection volume-based annual payments beginning at the onset of injection—or an alternate consideration structure as provided in § 6.02(g)(iii-iv). The default consideration structure set forth below is for illustrative purposes only. The Respondent may modify or alter its Consideration Proposal as appropriate.
1. Bonus Payment. A one-time, dollar-per-acre sum to be payable in cash upon execution of the Sequestration Agreement.
 2. Development Term Rental. A dollar-per-acre rental fee due to the State on an annual basis throughout the development term of the Agreement.
 3. Construction Term Rental. A dollar-per-acre rental fee due to the State on an annual basis throughout the construction term of the Agreement.
 4. Operations Term Rental. A dollar-per-acre rental fee due to the State on an annual basis throughout the operations term of the Agreement.
 5. Injection Fee. A dollar amount due to the State per ton of CO₂ injected into pore space subject of the Sequestration Agreement on an annual basis. Respondents are encouraged to consider overall projected CO₂ injection rate (*e.g.*, Mln Tonnes/yr) and/or cumulative injected CO₂ volume (Mln Tonnes total) as a basis for triggering Injection Fee proposals.
 6. Annual Injection Volume Minimum. A minimum quantity of CO₂ that, Respondent estimates will be injected and sequestered pursuant to the Sequestration Agreement annually.
 7. Minimum Guaranteed Annual Payment. A dollar amount calculated by multiplying the Annual Injection Fee by the Annual Injection Volume Minimum. During each year of the operations term of the Sequestration Agreement, Respondent will owe either the Minimum Guaranteed Annual Payment or the product of the Annual Injection Fee and the

number of tons of CO₂ injected during that calendar year—whichever is greater.

8. Additional Consideration. The Respondent may propose items of additional consideration other than those listed above. All items of additional consideration shall be described with particularity such that their significance and value are readily apparent.

- iii. Alternative Fundamental Proposals. The Respondent's may propose a Term Proposal or Consideration Proposal that varies from the default options set forth above. The Board may consider any alternative Term Proposal that would amount to reasonable and fair use of state-owned land and water bottoms, and it may consider any Consideration Proposal that would afford fair market value to the State for the duration of the Sequestration Agreement.

1. Inflation. All compensation proposals shall include an annual inflation adjustment based on the CPI published by the U.S. Bureau of Labor Statistics.

- iv. Clarity and Comparability. Whether relying on the Board's default structures or proposing alternatives, the Term Proposal and Consideration Proposal must be clearly stated such that their scope, function, and overall value to the State are readily understandable, predictable, and comparable to other proposals. The Board must be able to evaluate each Fundamental Terms Proposal on a consistent and objective basis, ensuring that its functional dynamics and financial impact are transparently and credibly presented.

6.03 Form. The Respondent shall submit one electronic copy and one paper copy of the Proposal Packet to OMR.

- a. Paper Copy. The paper copy shall be packaged in an envelope and delivered by hand or via certified mail or commercial courier to OMR at one of the addresses below.
- b. Electronic Copy. The electronic copy shall be submitted via electronic mail to OMR at OMR@la.gov or on a USB drive delivered by hand or via certified mail or commercial courier to OMR at one of the addresses below.

Mailing Address

Office of Mineral Resources
Attn: Energy Lands Division
Department of Energy and Natural
Resources
617 North Third Street
8th Floor, Office No. 837
Baton Rouge, Louisiana 70802

Post Office Box Address

Office of Mineral Resources
Attn: Energy Lands Division
Department of Energy and Natural
Resources
Post Office Box 2827
Baton Rouge, Louisiana 70821-2827

- 6.04 Proposal Deadline. At least one copy of the Proposal Packet—whether hard copy or electronic—shall be delivered to OMR such that it is in the possession of OMR personnel no later than 5:00 P.M. CST on the Proposal Deadline. Consideration of untimely proposals shall be up to the discretion of the Board.
- 6.05 Confidentiality. OMR and the Board shall hold all information submitted in the Proposal Packet confidential to the extent permitted by Applicable Law and Applicable Procedure. It is the responsibility of the Respondent to comply with the provisions of the Louisiana Public Records Law and Applicable Law when submitting any information it seeks to designate as confidential, including the proper marking, justification, and identification of such information. *See Public Records, p. 4.*
- 6.06 Withheld Information. A Respondent may withhold information required above in consideration of legitimate concerns for divulgence of private information. However, the Respondent acknowledges that the Office of Mineral Resources and the State Mineral and Energy Board may, in their sole discretion, consider the absence of such information in evaluating the completeness, credibility, or merit of the Proposal Packet.
- 6.07 Alterations, Modifications, and Withdrawals. A proposal may be modified, altered, or withdrawn prior to the Proposal Deadline. A Respondent seeking to modify, alter, or withdraw its proposal should contact the Director of OMR’s Energy Lands Division.

7. Proposal Evaluation

- 7.01 Notice of Receipt. No greater than seven days following the Proposal Deadline, OMR shall publish a notice on its website identifying the Nominated Tract by its number and listing the name of each Respondent that submitted a timely Proposal. OMR shall announce the Nominated Tract number and the name of each such Respondent at the first regular meeting of the Board following the Proposal Deadline.
- 7.02 Initial Evaluation. OMR shall evaluate each Proposal to confirm compliance with legal, procedural, and technical requirements required herein and by law. OMR determines which proposals are sufficient, which are deficient and may be remedied by the Respondent, and which must be rejected and returned. OMR also processes requests for withdrawal.
- a. Notice of Completeness. If OMR determines that a Proposal Packet is sufficient, it shall provide written notice to the Respondent.
 - b. Notice of Deficiency. If OMR determines that a Proposal Packet fails to comply with one or more legal, procedural, or technical requirements, OMR shall provide written notice to the Respondent identifying each deficiency and providing a deadline by which the Respondent must remedy it. If the Respondent fails to remedy all deficiencies identified by OMR as required, OMR may issue supplemental notices of deficiencies with a deadline for response or may reject the Proposal and return the Proposal Packet to the Respondent.
 - c. Timing. OMR shall complete Initial Evaluation and issue all initial Notice(s) of Completeness or Deficiency within 60 days of the Proposal Deadline, unless otherwise permitted by Board resolution.

- 7.03 Technical Briefing. OMR shall deliver a technical briefing of the qualified proposal(s) to the Board during its next regular meeting following completion of Initial Evaluation.
- a. Documents. During the technical briefing, OMR shall provide each Board member with the Executive Summary from each Proposal Packet and a copy of the Evaluation Criteria set forth in § 7.06 herein. OMR in its discretion may provide any other pertinent documents, information, or summaries related to any Proposal.
 - b. OMR Recommendations. As part of the technical briefing or thereafter, OMR may provide advice or recommendation(s) to the Board based on its evaluation of the Proposals and corresponding information received through Respondent evaluation.
- 7.04 Due Diligence. At any time after the Proposal Deadline, OMR may conduct due diligence activities to gain a comprehensive understanding of information relevant to the Respondent or its Proposal. Due diligence activities include the following.
- a. Meetings and Discussions. OMR may hold meetings or discussions with any Respondent to clarify or expand upon information submitted in its Proposal. Meetings and discussions may be scheduled at OMR's discretion and may require Respondents to provide additional documentation or explanations pertinent to their submission. Each Respondent shall be accorded fair and equal treatment with respect to any opportunity for discussion and/or revisions of its Proposal.
 - b. Research. OMR may contact the Respondent's clients, affiliates, and references provided in the Proposal and obtain information pertinent to the Respondent or its proposal from any other publicly available source.
 - c. Consultation. To promote a thorough and impartial evaluation, OMR may engage qualified government agencies and independent third-party consultants with specialized expertise in technical, financial, legal, or operational aspects relevant to the proposals under consideration. Such external consultants may be solicited to provide objective assessments, technical verifications, market analyses, financial evaluations, or other professional opinions deemed useful by OMR to fully understand and assess any proposal.
 - i. Third-Party Confidentiality. Any third-party consultant engaged by OMR or the Board shall be required to execute an agreement requiring that information related to a Respondent or its Proposal be held confidential.
 - ii. Disclosure Notice. Before disclosing any information pertaining to a Respondent or its Proposal to a third party, OMR shall provide written notice to the Respondent. The Respondent shall have ten business days from the date of receipt of the notice to submit a written objection, specifically identifying any concerns regarding conflicts of interest; risk of competitive disadvantage; or other legitimate concerns that could materially impact the Respondent's business interests.
 - iii. Review of Objections. OMR shall evaluate any objections submitted and, at its sole discretion, determine whether to proceed with the disclosure, modify the scope of information to be shared; or select an alternative consultant.

- 7.05 Board Action. At any time after the Proposal Deadline, the Board may request that any Respondent submit to questions or provide additional information about its Proposal in writing or through one or more presentations or demonstrations.
- 7.06 Evaluation Criteria. In evaluating the proposal(s), the Board shall consider each of the below-listed factors and may consider other factors that its members deem relevant. However, the extent to which the Board or its individual members assign weight to the factors is discretionary. OMR shall provide a copy of the criteria listed below to each Board member for reference during the Technical Briefing.
- a. Operational Capability and Experience. Operational capability of the Respondent and affiliated entities to successfully execute and manage the proposed project from development to decommissioning—including financial standing, capital availability, plan for sourcing and transporting CO₂ to be stored, and credibility of the Respondent and affiliated entities.
 - b. Technical Plan. Quality, soundness, and feasibility of the Respondent’s technical plan for development, construction, injection, sequestration of CO₂, post-closure monitoring, and decommissioning.
 - c. Proposal Value. The economic value of the proposal, considering the proposed Fundamental Terms, size and orientation of the subject tract, the Respondent’s financial standing, and other relevant factors. Considerations may include projections of revenue to the state considering the financial terms of the bid, projected storage volumes, additional consideration, and other metrics with a material impact on potential revenues to the state.
 - d. Environmental Stewardship and Regulatory Capability. The Respondent’s approach to environmental protection, operational safety, stakeholder engagement, and compliance with applicable regulations, including Class VI well permitting and monitoring requirements.
 - e. Completeness, Transparency, and Credibility. The clarity, completeness, and transparency of the Proposal Packet, including the extent to which required information is provided, well-organized, and internally consistent. The Board may consider whether the Respondent withheld any information, and, if so, whether such omissions materially affect the Board’s ability to assess project merit.

8. Conditional Approval

- 8.01 Voting Date. The Board, or OMR on its behalf, shall publish the date of the Board meeting during which a determinative vote to award Conditional Approval will be held (“Voting Date”). Unless otherwise permitted by Board resolution, the Voting Date shall take place during or before the third regular meeting of the Board following the meeting at which the Technical Briefing takes place.
- a. Altering the Voting Date. The Board may alter a Voting Date by resolution.

- b. Written Notice. OMR shall provide written notice of the Voting Date, and any alterations thereto, to all Respondents whose proposals are under consideration at least 14 days in advance of the Voting Date.

8.02 Conditional Approval. On a board-authorized Voting Date, the Board may by resolution award Conditional Approval of a Sequestration Agreement to one or more of the Respondents if the Board, in consideration of the criteria set forth herein, determines that the selected proposal(s) are in the best interest of the State of Louisiana. The Board reserves the right to reject any and all bids or to grant one or more Sequestration Agreement(s) on all or any portion of the Nominated Tract.

- a. Conditional Approval; Effect. A Respondent who has been awarded Conditional Approval has the exclusive right to proceed with negotiation of final terms for a Sequestration Agreement covering the tract subject of the Conditional Approval. The Board shall not entertain competing negotiations or nominations for CO₂ sequestration on the tract subject of the Conditional Approval during the negotiation period.

- i. No Guarantee. Conditional Approval does not constitute a final award or grant the right to a Sequestration Agreement. The Sequestration Agreement will not be subject to execution by the parties until the following have occurred, in no particular order:

1. Successful negotiation of final terms that are acceptable to both the Board and the Respondent;
2. Issuance of all required Parish Notice(s);
3. Completion of all required Public Hearing(s); and
4. The Board's review of the final draft of the Sequestration Agreement, with all terms and conditions mutually agreed-upon by OMR and the Respondent, and approval by a vote of two-thirds of its members ("Final Approval"). La. R.S. § 30:209.

- ii. Board Discretion. At any time following Conditional Approval, the Board reserves the right, by resolution of two-thirds of its members, to terminate negotiations with the Respondent and withdraw the nomination of the tract from further consideration.

- b. Duration. Unless otherwise permitted by Board resolution, Conditional Approval shall be effective until the date of the sixth regular monthly meeting of the Board following the meeting at which Conditional Approval was awarded ("Approval Deadline"). The Board shall hold the vote for Final Approval on or before the Approval Deadline. *See* § 11. During the interim period, but in no particular order, OMR and the party awarded Conditional Approval shall engage in good faith efforts to negotiate and memorialize final Sequestration Agreement terms, and the public notice and hearing requirements of La. R.S. § 30:209(4)(e) must be satisfied.

- c. Board Resolution; Form. The Board resolution awarding Conditional Approval of a Sequestration Agreement shall contain, at minimum, the following information.
 - i. The name of the Respondent who was awarded Conditional Approval;
 - ii. Tract number, plat map, and a written description of the property subject of the Conditional Approval;
 - iii. A complete description of the consideration provided in the Proposal awarded Conditional Approval;
 - iv. A statement that the Sequestration Agreement award has been granted conditionally and shall not be final until the final Sequestration Agreement approved by the Board and is executed; and
 - v. The date of the Approval Deadline.
 - d. Proposal(s) Not Selected. Unless otherwise provided by the Board, each Proposal not awarded Conditional Approval on the Voting Date shall be deemed rejected and no longer subject to consideration for a Sequestration Agreement.
 - i. Notice. OMR shall provide written notice of rejection to each Respondent.
 - e. Multiple Agreements. The Board shall not award Sequestration Agreements to multiple bidding parties whose proposals include conflicting acreage.
 - f. Options. If the Board resolves that there are multiple non-conflicting proposals within the Nominated Tract, the Board may award a Sequestration Agreement to the Respondent whose proposal is most advantageous to the State and offer an option for a Sequestration Agreement to the other acceptable Respondent(s) in accordance with the terms of the Proposal(s).
- 8.03 Notice and Publication. OMR shall provide a copy of each resolution awarding Conditional Approval of a Sequestration Agreement to:
- a. The Respondent who has been awarded Conditional Approval; and
 - b. The governing authority of the parish(es) where the tract subject of the Conditional Approval is located. La. R.S. § 30:209(4)(e).

9. Negotiation of Terms

- 9.01 Negotiation and Preparation. Following the award of Conditional Approval, OMR shall facilitate negotiations with the Respondent to finalize the terms of the Sequestration Agreement, consistent with these guidelines and subject to the Board's oversight and discretion.

- a. Terms and Conditions. The terms and conditions of prior Sequestration Agreements previously executed by the Board have no bearing on agreements to be executed after the date of these Procurement Guidelines. However, interested parties may view prior Sequestration Agreements on [OMR's website](#) for reference. The Board, and OMR on its behalf, reserve the right to alter or negotiate any provision on a case-by-case basis.
- b. Advice. OMR and the Board may solicit third-party legal services, consultants, and other technical assistance to aid in negotiation and drafting as permitted by Applicable Law and Applicable Procedure.
- c. Confidentiality. Negotiations and all records thereof shall be held confidential and not subject to disclosure to the extent permitted by Applicable Law and Applicable Procedure. It is the responsibility of the Respondent to comply with the provisions of the Louisiana Public Records Law and Applicable Law when submitting any information it seeks to designate as confidential, including the proper marking, justification, and identification of such information. *See Public Records, p. 4.*

10. Public Notice and Hearing

- 10.01 Requirements. Under La. R.S. § 30:209(4)(e), the Board may only enter into a Sequestration Agreement after the public notice requirements set forth below take place. All Parish Notice(s) must be issued and all Public Hearing(s) held before the final draft of the Sequestration Agreement is presented to the Board for Final Approval.
 - a. Parish Notice. OMR shall issue notice of the Sequestration Agreement to the governing authority of each affected parish ("Parish Notice"). Parish Notic(es) may be issued via electronic mail, or through another delivery method chosen by OMR.
 - b. Public Hearing. OMR shall coordinate a public hearing in each parish where the tract subject of the Conditional Approval is located ("Public Hearing"). The Public Hearing(s) shall be led by a hearing officer to be appointed by the Assistant Secretary for OMR or an equivalent unclassified public official responsible for any successive office that is responsible for administrative functions of the Board. La. R.S. § 30:209(4)(e). OMR shall coordinate with the recipient of Conditional Approval in determining the date, time, and location of each Public Hearing.
- 10.02 Board Notice. OMR shall advise the Board after issuance of each Parish Notice and of the determination of the date, time, and location of each Public Hearing.
- 10.03 Consideration of Public Comments. Comments received through the Public Hearing(s), from parish governing authorities in response to Parish Notices, or from any other member of the public, may have a material bearing on the final terms and conditions of the Sequestration Agreement. The Respondent may provide a response to public comments within ten (10) days after the Public Hearing, or may waive the right to submit such response. The Board, and OMR on its behalf, reserve the right to revise, amend, or otherwise modify their negotiation position, as they deem necessary and appropriate, in light of any such public comments or information received during the public notice and hearing process or from Respondent in response to public comments.

11. Final Approval and Execution

- 11.01 Memorialization. If necessary, OMR and the recipient of Conditional Approval shall conclude any remaining negotiations necessary after the Public Notic(es) have been issued and Public Hearing(s) held, and memorialize the agreed-upon terms in a final draft of the Sequestration Agreement. Upon mutual consent to all terms and preparation of the final draft, OMR shall place a Sequestration Agreement approval item on the agenda for the next regular meeting of the Board.
- a. Timing. Unless otherwise permitted by the Board, the final draft of the Sequestration Agreement shall be memorialized such that it is presented for Final Approval on or before the Approval Deadline.
- 11.02 Final Approval. The Board may by a vote of two-thirds of its members award Final Approval of a Sequestration Agreement and authorize execution thereof. La. R.S. § 30:209.
- a. Required Votes. At full capacity, the Board is comprised of 11 members. La. R.S. § 30:121. Thus, Final Approval of a Board at full-capacity requires eight affirmative votes. If the Board has fewer than 11 active members at the time of the Approval Deadline, Final Approval shall require an affirmative vote of two-thirds of its active members.
- b. Board Resolution; Form. The Board shall issue a resolution memorializing Final Approval of the Sequestration Agreement. The resolution shall contain, at minimum, the following information.
- i. The name of the Respondent who was awarded Final Approval;
 - ii. Tract number, plat map, and a written description of the property subject of the Final Approval; and
 - iii. A statement that Final Approval is conditioned upon execution of the Sequestration Agreement.
- c. Deferral of Approval Deadline. The Board may defer the Approval Deadline by resolution. OMR shall issue a copy of the resolution to the party seeking Final Approval.
- i. Attendance. The party seeking Final Approval shall not be prejudiced if Board member attendance on the Approval Deadline does not meet the requisite two-thirds threshold.
- d. No Approval. Unless otherwise permitted by the Board, any Proposal not awarded Final Approval by the Approval Deadline shall be deemed rejected and no longer subject to consideration for a Sequestration Agreement. OMR shall provide written notice to the party whose Proposal was rejected.
- 11.03 Execution. Upon the Board's award of Final Approval, OMR shall prepare the Sequestration Agreement contracts and mail at least three originals, properly executed by an authorized

representative of the Board, to the recipient via certified USPS mail, return receipt requested. Unless otherwise permitted by OMR, the Respondent shall complete the following within 30 days of receipt:

- a. Return one fully executed original to OMR via certified mail, return receipt requested; and
- b. Record the Sequestration Agreement or evidence thereof in the public records as required by its language and send certified proof of each recordation to OMR.

11.04 Failure to Execute. The recipient's failure to execute the Sequestration Agreement in accordance with the provisions herein may result in forfeiture of the Sequestration Agreement.

11.05 Cash Payments. Unless otherwise set forth in the Sequestration Agreement or expressly authorized in writing by OMR, all Sequestration Agreement payments shall be made by electronic fund transfer using the Automated Clearing House ("ACH") network service from a banking institution authorized in the United States. Payments shall be made in U.S. Dollars, addressed to the "Office of Mineral Resources," into an account identified and approved by OMR.

Reference Tool

Procurement Stage	Date *	Required Information	Timing / Deadline	Reference (\$)
Registration	Pre-Nomination	Registration Form Certification	Completed before submitting Nomination Packet; Renewed annually	1
Pre-Nomination Research	Pre-Nomination	Pre-Nomination Research report Certification	Completed before submitting Nomination Packet	2
Tract Nomination	January 2026	Nomination Packet	After OMR approval of Pre-Nomination Research	3
Nomination Review	January – February 2026	Clarification or additional information required by OMR	OMR review estimated ~ 30 days	4
Nomination Approval	February 2026 <i>SMEB Meeting</i>	N/A	SMEB meeting following completion of nomination review by OMR	4
Advertisement	March 2026	N/A	Published no fewer than 60 days before Proposal Deadline	5
Proposal Submission	February – May 2026	Proposal Packet	Due on or before Proposal Deadline	6
Proposal Deadline	May 2026	Proposal Packet (due by 5 P.M. CST)	No greater than 90 days following SMEB Nomination Approval	4.04(a); 6.04
Proposal Evaluation	June 2026	Clarification or additional information required by OMR	Within 60 days of Proposal Deadline	7.02(c)
Technical Briefing	August 2026 <i>SMEB Meeting</i>	Clarification or additional information required by OMR	Board meeting following completion of proposal evaluation by OMR	7.03 – 7.05
Conditional Approval / Voting Date	November 2026 <i>SMEB Meeting</i>	N/A	At scheduled Voting Date – during or before third regular SMEB meeting following Technical Briefing	8
Parish Notice(s) and Public Hearing(s)	November 2026 – May 2027	Respondent may participate in Public Hearing(s)	Must be completed before Final Approval	10
Negotiation and Memorialization		Participation in negotiations		9
Final Approval	May 2027 <i>SMEB Meeting</i>	N/A	At or before 6th Board meeting post-Conditional Approval	11
Approval Deadline	May 2027	N/A	On or before sixth SMEB meeting following Conditional Approval	8.02(b); 11
Execution and Recordation	May – July 2027	Execute, return, and record Sequestration Agreement	Within 30 days of issuance by OMR	11

* The dates set forth in this reference tool are intended for illustrative purposes only and are based on the procedural deadlines and timing requirements established in the State Mineral and Energy Board's Procurement Guidelines for Carbon Sequestration Agreements. They do not represent binding commitments or assurances. The Board retains full discretion to modify, accelerate, delay, or otherwise alter the timing and sequence of events in accordance with its statutory authority and the procedures set forth in the guidelines.