

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE
NINETEENTH JUDICIAL DISTRICT COURT

DOCKET NO. _____

DIVISION _____

THE STATE OF LOUISIANA,
BY AND THROUGH THE STATE MINERAL AND ENERGY BOARD

v.

PROMETHEUS DEVELOPMENT, INC.

FILED: _____

DEPUTY CLERK: _____

PETITION

NOW INTO COURT, through undersigned counsel, comes THE STATE OF LOUISIANA, by and through the STATE MINERAL AND ENERGY BOARD ("the State") who pray that this Honorable Court order the payment of liquidated damages due pursuant to Louisiana law, to wit:

1.

Prometheus Development, Inc. ("Prometheus"), a corporation licensed to do business in the State of Louisiana, is on file as the lessee on state leases granted by the State Mineral and Energy Board covering land owned by the State of Louisiana.

2.

Pursuant to La. R.S. 30:123.1, such lessees are required to register with the Office of Mineral Resources ("OMR") annually, with such registration to include the current physical address, telephone number, e-mail address, facsimile number of the leaseholder, and proof of good standing from the Louisiana Secretary of State.

3.

La. R.S. 30:123.1(C) provides that:

If at any time during the period for which a given mineral lease is in full force and effect, the office of the mineral resources finds that any current record lessee of that lease is not properly registered with the office of mineral resources, the office of mineral resources shall notify the record lessee in writing by certified mail, return receipt requested, and request proper registration by a fixed date no more than thirty days after receipt of the notification. Should the record lessee, after being duly notified, fail to properly register by the date fixed in the notification, the State Mineral and Energy Board may levy liquidated damages against that lessee in the amount of one hundred dollars per day until the record lessee is properly registered with the office of mineral resources. The liquidated damage assessment may be waived, in whole or in part, by the State Mineral and Energy Board.

4.

The statute further specifies that should the record lessee, after being duly notified, fail to properly register by the specified date, the State Mineral and Energy Board may levy liquidated damages in the amount of one hundred dollars (\$100.00) per day until the lessee is properly registered with OMR.

5.

Prometheus was notified of its failure to register by certified mail in accordance with La. R.S. 30:123.1 (*see* Exhibit 1), and failed to register with the State within the statutory period (*see* Exhibit 2), resulting in liquidated assessments of one hundred dollars (\$100.00) per day from June 1, 2016, until Prometheus completed its registration. That registration was completed on July 7, 2016, resulting in a liquidated damage assessment of thirty-six hundred dollars (\$3,600.00) for failing to register for 36 days.

6.

Upon request by the State Mineral and Energy Board (*see* Exhibit 3), Prometheus was placed on formal demand by the Louisiana Attorney General for the sums due in a letter dated October 17, 2016 (*see* Exhibit 4).

7.

As of this date, Prometheus has failed to remit the amounts assessed by OMR.

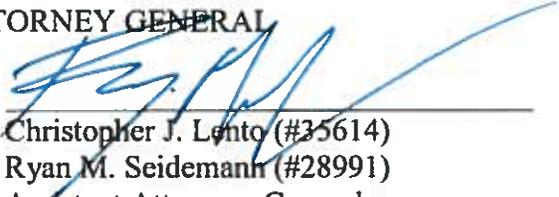
8.

For the reasons stated above, Prometheus was in violation of Louisiana law, has been properly placed in default, and is now in arrears to OMR.

WHEREFORE, the STATE OF LOUISIANA prays that, after due proceedings are had, judgment be rendered in favor of the State and against Prometheus ordering payment of statutory liquidated damages, the costs of this proceeding, and for any and all other equitable relief that this Court deems just and proper.

Respectfully submitted:

JEFF LANDRY
ATTORNEY GENERAL

By: 

Christopher J. Lento (#35614)

Ryan M. Seidemann (#28991)

Assistant Attorneys General

Civil Division

Louisiana Department of Justice

Post Office Box 94005

Baton Rouge, Louisiana 70804-9005

Tel: (225) 326-6030

Fax: (225) 326-6099

E-mail: LentoC@ag.louisiana.gov

PLEASE SERVE:

**Prometheus Development, Inc.
through its registered agent:**

**Mr. William Harris
60502 Dixie Ranch Road
Slidell, LA 70460**

JOHN BEL EDWARDS
GOVERNOR



THOMAS F. HARRIS
SECRETARY

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL AND ENERGY BOARD

August 31, 2016

Mr. Earl Schmit
Prometheus Development, Inc.
Post Office Box 8763
Metairie, LA 70011-8763

Re: Louisiana State Lease Number(s) 17339
Late Registration Assessment

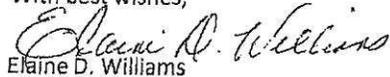
Gentlemen:

This is your second notice regarding the liquidated damage assessment for not completing the re-registration process with the Louisiana State Office of Mineral Resources. On July 8, 2016 we mailed you the invoice for this assessment, a copy of which is enclosed. We would appreciate your forwarding your check to us for this amount. If you have any questions, please contact Emile Fontenot, Petroleum Lands Assistant Director at (225)342-1080 or anthony.fontenot@la.gov.

If you wish to pay this invoice online, please go to <http://www.sonris.com/> and click on the "Invoice Payments" link. You will need the invoice number along with the security code shown on the invoice.

We would appreciate your immediate attention to this matter.

With best wishes,


Elaine D. Williams

Land Manager
Office of Mineral Resources (225)342-0213
elaine.williams@la.gov

Enclosure

cc: Shaunda Allement

JOHN BEL EDWARDS
GOVERNOR



THOMAS F. HARRIS
SECRETARY

State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL AND ENERGY BOARD

July 8, 2016

Mr. Earl Schmit
Prometheus Development, Inc.
Post Office Box 8763
Metairie, LA 70011-8763

RE: Louisiana State Lease Number(s) 17339
Late Registration Assessment

Dear Mr. Schmit:

The State Mineral and Energy Board adopted a Resolution at the May 11, 2016 meeting that one final notice to Prometheus Development, Inc. would be issued to re-register by May 31, 2016 as a leaseholder. Further, the Resolution provides that in the event Prometheus Development, Inc. does not complete the re-registration process by May 31, 2016, a liquidated damage assessment in the amount of One Hundred (\$100.00) Dollars per day will commence on June 1, 2016 and continue through completion of the re-registration process.

Prometheus Development, Inc. properly registered on July 7, 2016 causing its re-registration period to be 36 days late.

La. R.S. 30:123.1.C provides that the liquidated damage assessment may be waived, in whole or in part, by the State Mineral and Energy Board, Should Prometheus Development, Inc. desire to appear before the Board, its request to do so must be put in writing, to my attention and submitted at least seven (7) days prior to the regularly scheduled monthly State Mineral & Energy Board meetings. The State Mineral and Energy Board meetings of the Legal and Title Committee are held on the second Wednesday of each month beginning at 9:00 a.m. in the Department of Natural Resources' building (LaSalle Building), located at 617 North 3th Street, Baton Rouge, Louisiana..

If you have any questions relative to the assessment or the procedure used to make an appearance before the Board, please contact me at (225) 342-1080

Sincerely,

Emile Fontenot
Petroleum Lands Assistant Director
Office of Mineral Resources

EF:bj
Invoice Attached

STATE OF LOUISIANA
DEPARTMENT OF NATURAL RESOURCES
Office of Mineral Resources
P. O. Box 44277
Baton Rouge, LA 70804-4277

PROMETHEUS DEVELOPMENT, INC.
3350 RIDGELAKE DRIVE, SUITE
200

ATTN: EARL SCHMIT, SALES When remitting, please
refer to:

METAIRIE LA 70004

Invoice Number 1082882

Security Code 60346

Invoice Date 07/08/2016

PAYABLE UPON RECEIPT

Description	Qty	Unit Cost	Line Total
Liquidated Damages-delinquent leaseholder registration, penalty for late registration with OMR	36	100.00	3,600.00
Total Invoice Amount			\$ 3,600.00
Less Deposit/Payments			\$.00
Total Amount Due			\$ 3,600.00

IF PAYING BY CHECK, PLEASE PUT
THE INVOICE NUMBER ON IT.
THANK YOU.

Liquidated Damages assessment
pursuant to Board action at its
May 11, 2016 meeting (reference
state lease 17339.

Please make checks payable to:
Office of Mineral Resources

and mail to:

DEPARTMENT OF NATURAL RESOURCES
Office of Mineral Resources
P. O. Box 44277
Baton Rouge, LA 70804-4277

** CREDIT CARD PAYMENTS ARE ALSO ACCEPTED **
****MAKE PAYMENTS ONLINE using VISA, MASTERCARD, AMERICAN EXPRESS or DISCOVER****
Navigate to www.SONRIS.com
and click on the Invoice Payment link

RETURN ONE COPY WITH REMITTANCE

AFFIDAVIT OF ANTHONY FONTENOT

STATE OF LOUISIANA)
)
PARISH OF EAST BATON ROUGE)

I, Anthony Fontenot, having first been duly sworn, depose and say:

1. I am a competent individual of the age of majority domiciled in East Baton Rouge Parish, Louisiana.
2. I am currently employed by the State of Louisiana, Department of Natural Resources, Office of Mineral Resources as the Petroleum Lands Director.
3. Prometheus Development, Inc. ("Prometheus"), was a record interest owner in State Mineral Lease No. 17339 until August 10, 2016.
4. On April 20, 2016, the Office of Mineral Resources sent a letter to Prometheus via certified mail informing them that, pursuant to La. R.S. 30:123.1, Prometheus was required to register annually with the Office of Mineral Resources no later than January 31st of each year.
5. Prometheus was informed in that letter that they had failed to register by the required date, and that until the renewal was completed, they were subject to a statutory penalty of one-hundred dollars (\$100.00) per day, beginning thirty (30) days from receipt of the letter.
6. Prometheus completed its annual registration with the Office of Mineral Resources on July 7, 2016, resulting in a liquidated damage assessment of thirty-six hundred dollars (\$3,600.00) for failing to register for 36 days.
7. After Prometheus failed to pay the amount due, upon request by the State Energy and Mineral Board, Prometheus was placed on formal demand by the Louisiana Attorney General in a letter dated October 17, 2016.
8. As of this date Prometheus has failed to remit amounts assessed to the Office of Mineral Resources.

FURTHER AFFIANT SAITH NOT.


ANTHONY FONTENOT

Subscribed and sworn to before me this 24th day of October, 2017


Notary Public

 James B. Canfield
Notary No. 85001
State of Louisiana
Commissioned for Life

EXHIBIT
2

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Prometheus Development
Re: Demand for liquidated damages
for failure to register as a
leaseholder

RESOLUTION # 16-10-012

(LEGAL & TITLE CONTROVERSY REPORT)

WHEREAS, a request was made by Staff for the Board to authorize the Attorney General's Office to place Prometheus Development on demand for failure to pay liquidated damages in the amount of \$3,600.00 for failure to register as a leaseholder with the Office of Mineral Resources timely;

WHEREAS, the Staff of the Office of Mineral Resources, upon thorough review and consideration, recommended that the foregoing request be approved by the Board;

ON MOTION of Mr. Arnold, seconded by Mr. Harris, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

NOW THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby authorize the Attorney General's Office to place Prometheus Development on demand for failure to pay liquidated damages in the amount of \$3,600.00 for failure to register as a leaseholder with the Office of Mineral Resources timely.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of October, 2016 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of said State Mineral and Energy Board and is now in full force and effect.



David W. Boulet, Secretary
State Mineral and Energy Board



Jeff Landry
Attorney General

State of Louisiana
DEPARTMENT OF JUSTICE
CIVIL DIVISION
P.O. BOX 94005
BATON ROUGE
70804-9005

October 17, 2016

Mr. Earl Schmit
Prometheus Development, Inc.
P.O. Box 8763
Metairie, LA 70011

Re: Liquidated damage assessment
Prometheus Development, Inc.
State Lease No. 17339

Dear Mr. Schmit:

The Louisiana State Mineral & Energy Board (“SMEB”), has requested that the Office of the Attorney General formally place Prometheus Development, Inc., on demand for its failure to pay liquidated damages owed to the Office of Mineral Resources (“OMR”). As noted in pre-demand letters, Sealy’s failure to timely register with OMR resulted in liquidated damage assessments of \$100.00 per day from June 1, 2016 until Prometheus properly completed its registration. That registration was completed on July 7, 2016, resulting in a liquidated damages assessment of \$3,600.00 (for 36 days). Within 30 days of your receipt of this letter, please remit the \$3,600.00 due to OMR at the following address:

Emile Fontenot
Petroleum Lands Assistant Director
Office of Mineral Resources
Louisiana Department of Natural Resources
617 North Third Street
Baton Rouge, LA 70802

Failure to comply with this request may result in further action against Prometheus.

Should you have any questions or concerns regarding this matter, we may be reached at (225) 326-6085 or via e-mail at seidemannr@ag.louisiana.gov or lentoc@ag.louisiana.gov.

With best regards, we are,

Very truly yours,

JEFF LANDRY
ATTORNEY GENERAL

Exhibit 4

Mr. Earl Schmit
Re: Liquidated damage assessment
Prometheus Development, Inc.
State Lease No. 17339
Page 2

By: 

Ryan M. Seidemann
Christopher J. Lento
Assistant Attorneys General

JL/RMS/tp

cc: James J. Devitt, III, Esq., LDNR
Emile Fontenot, LDNR