

STATE OF LOUISIANA  
PARISH OF EAST BATON ROUGE  
NINETEENTH JUDICIAL DISTRICT COURT  
DOCKET NO. 663545

DIVISION **SEC. 26**

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

v.

SEALY ENERGY RESOURCES, L.L.C.

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.

Sealy Energy Resources, L.L.C. ("Sealy"), 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:

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EAST BATON ROUGE PARISH, LA  
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DEPUTY CLERK OF COURT

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 the OMR.

5.

Sealy 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 Sealy 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), Sealy 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, Sealy has failed to remit the amounts assessed by OMR.

8.

For the reasons stated above, Sealy is 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 Sealy 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:**

**Sealy Energy Resources, L.L.C.**  
**through its registered agent:**  
**Mr. Scott P. Sealy**  
**333 Texas Street, Suite 1050**  
**Shreveport, LA 71101**

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

Ms. Dianne LaCrox  
Sealy Energy Resources, L.L.C.  
333 Texas Street, Suite 1050  
Shreveport, LA 71101

RE: Louisiana State Lease Number(s) 17126, 17734, 18245,  
18276  
Late Registration Assessment

Dear Ms. LaCrox

The State Mineral and Energy Board adopted a Resolution at the May 11, 2016 meeting that one final notice to Sealy Energy Resources, L.L.C. would be issued to re-register by May 31, 2016 as a leaseholder. Further, the Resolution provides that in the event Sealy Energy Resources, L.L.C. 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.

Sealy Energy Resources, L.L.C. 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 Sealy Energy Resources, L.L.C. 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,

Handwritten signature of Emile Fontenot in black ink.

Emile Fontenot  
Petroleum Lands Assistant Director  
Office of Mineral Resources

EF:bj  
Invoice Attached

Post Office Box 2827 ♦ Baton Rouge, Louisiana 70821-2827 ♦ 617 N. Third Street ♦ 8th Floor ♦ Baton Rouge, Louisiana 70802-5428  
Phone (225) 342-4615 ♦ Fax (225) 342-4527 ♦ [omr@dnr.state.la.us](mailto:omr@dnr.state.la.us) ♦ <http://www.dnr.state.la.us/mineral.htm>  
An Equal Opportunity Employer

Exhibit 1

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

Ms. Dianne LaCrox  
Sealy Energy Resources, L.L.C.  
333 Texas Street, Suite 1050  
Shreveport, LA 71101

Re: Louisiana State Lease Number(s) 17126, 17734, 18245, 18276  
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](mailto: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,

Handwritten signature of Elaine D. Williams in cursive.

Elaine D. Williams

Land Manager

Office of Mineral Resources (225)342-0213

[elaine.williams@la.gov](mailto:elaine.williams@la.gov)

Enclosure

cc: Shaunda Allement

Post Office Box 2827 ♦ Baton Rouge, Louisiana  
Phone (225) 342-4615 ♦ Fax (225)

Legal & Title Controversy  
Committee Agenda  
Item No. 2 Attachment

♦ Baton Rouge, Louisiana 70802-5428  
[tr.state.la.us/mineral.htm](http://tr.state.la.us/mineral.htm)

Exhibit 1

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

SEALY ENERGY RESOURCES, L.L.C.  
333 TEXAS STREET, SUITE 1050  
SUITE 1050  
SHREVEPORT LA 71101

ATTN: DIANNE LACROX, OIL/When remitting, please refer to:

Invoice Number 1082840  
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			\$ 0.00
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 leases 17126, 17734, 18245, 18276).

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](http://www.SONRIS.com)  
and click on the Invoice Payment link

RETURN ONE COPY WITH REMITTANCE

Exhibit 1

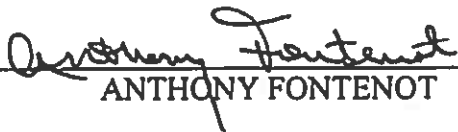
**AFFIDAVIT OF ANTHONY FONTENOT**

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. Sealy Energy Resources, LLC ("Sealy"), is currently on record as owning an interest in State Mineral Lease Nos. 17126, 17734, 18245, and 18276.
4. On April 20, 2016, the Office of Mineral Resources sent a letter to Sealy via certified mail informing them that, pursuant to La. R.S. 30:123.1, Sealy was required to register annually with the Office of Mineral Resources no later than January 31<sup>st</sup> of each year.
5. Sealy 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, commencing on June 1<sup>st</sup>, 2016.
6. Sealy 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. Sealy was invoiced for this amount on July 8, 2016, and sent a second notice for payment on August 31, 2016.
8. After Sealy failed to pay the amount due, upon request by the State Energy and Mineral Board, Sealy was placed on formal demand by the Louisiana Attorney General in a letter dated October 17, 2016.
9. As of this date Sealy 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 24<sup>th</sup> day of October, 2017

  
\_\_\_\_\_  
Notary Public



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



# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

Sealy Energy Resources  
Re: Demand for liquidated damages  
for failure to register as a  
leaseholder

## RESOLUTION # 16-10-011

(LEGAL & TITLE CONTROVERSY REPORT)

**WHEREAS**, a request was made by Staff for the Board to authorize the Attorney General's Office to place Sealy Energy Resources 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 Sealy Energy Resources 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 12<sup>th</sup> 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**

Exhibit 3



Ms. Dianne LaCrox

Re: Liquidated damage assessment  
Sealy Energy Resources, L.L.C.  
State Lease Nos. 17126, 17734, 18245, 18276

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With best regards, we are,

Very truly yours,

JEFF LANDRY  
ATTORNEY GENERAL

By: 

Ryan M. Seidemann  
Christopher J. Lente  
Assistant Attorneys General

JL/RMS/tp

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

Exhibit 4