



Louisiana State Mineral and Energy Board

RESOLUTION NO. 25-07-015
[DOCKET]

WHEREAS, approval of Docket Item No. 25-10 from the July 9, 2025 Meeting being an Unitization Agreement was presented to the State Mineral and Energy Board; and

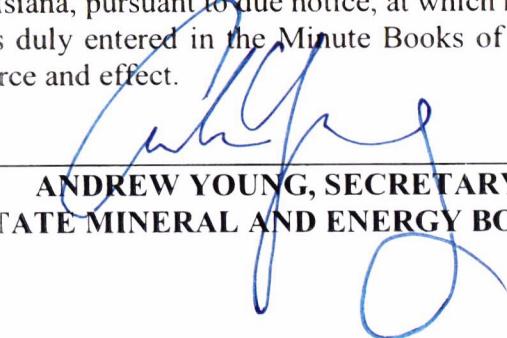
ON MOTION of Mr. Young, seconded by Mr. Moncla, the following Resolution was offered and unanimously adopted by the State Mineral and Energy Board:

THEREFORE, BE IT RESOLVED that the State Mineral and Energy Board does hereby grant approval of Docket Item No. 25-10, said instrument being more specifically described as follows:

A Unitization Agreement by and between the State Mineral and Energy Board, acting for and on behalf of the State of Louisiana and Cantium, LLC, to create a 373.791 acre unit, more or less, identified as the BM2 4400' RAB, Bay Marchand Block 2 Field, affecting **State Lease No. 1367**, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 9th day of July, 2025 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 the State Mineral and Energy Board and is now in full force and effect.


ANDREW YOUNG, SECRETARY
STATE MINERAL AND ENERGY BOARD

RESERVOIRWIDE VOLUNTARY UNIT AGREEMENT
CANTIUM, LLC – BM2 4400' RAB ZONE
BAY MARCHAND BLK 2 OFFSHORE FIELD

STATE OF LOUISIANA
PARISH OF LAFOURCHE

THIS RESERVOIRWIDE VOLUNTARY UNIT AGREEMENT ("Agreement") made and entered into this 9th day of July, 2025, by and between THE STATE MINERAL AND ENERGY BOARD for and on behalf of the State of Louisiana (hereinafter referred to as the "State") and CANTIUM, LLC, a Delaware limited liability company, with offices located at 111 Park Place, Suite 100, Covington, Louisiana 70433, the undersigned owner of the oil, gas and mineral rights and/or mineral lease and similar rights relating to the Reservoirwide Voluntary Unit described below (hereinafter referred to as "Lessee" or "Operator"), as follows:

WITNESSETH:

WHEREAS, Lessee is the holder and owner of the oil, gas and mineral rights and/or mineral lease covering and affecting lands in Lafourche Parish, Louisiana, which land is described in that certain mineral lease being State Lease 1367, which is described and identified in Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as "S. L. 1367" or the "Lease");

WHEREAS, Lessee is the Operator of two (2) wells on the Lease, which are the S.L. 1367 No. 60 Well, Sidetrack Hole, SN 228172, completed in the BM2 4400' RA Sand, and the S.L. 1367 No. 64D Well, SN 241383, completed in the BM2 4400' RB Sand (hereinafter collectively referred to as the "Producing Wells"); and

WHEREAS, the parties hereto desire, in the interest of conservation, to pool and unitize portions of the property covered by the Lease for the operation of one reservoirwide voluntary unit, as set forth in Paragraph I, for the purpose of more efficiently and economically developing, producing from and operating upon the hereinafter described unit, and for the implementation of Operator's secondary recovery and pressure maintenance program for enhanced oil recovery from the Producing Wells by the injection of water, and in order to prevent surface and underground waste, and to avoid the drilling of unnecessary wells, to obtain the greatest ultimate recovery of oil and gas, to promote maximum conservation and to insure to each of the parties hereto its fair share of production from the unitized property.

NOW, THEREFORE, in consideration of the premises and of the mutual benefits and advantages resulting from the execution hereof, the parties hereto do hereby agree as follows:

1.

There is hereby established a reservoirwide voluntary unit for the exploration for and production of oil, gas and condensate and other liquid and/or gaseous hydrocarbons from the BM2 4400' RAB Zone as more specifically defined as the Unit Interval in Paragraph 7.(a.) herein below, and the implementation of a secondary recovery and pressure maintenance program for enhanced oil recovery from the Producing Wells by injection of water from an injector well into such zone underlying that certain tract of land comprising a portion of and situated at a distance of greater than 330' from the nearest boundary of S. L. 1367 containing 373.791 acres, more or less, situated in Lafourche Parish, Louisiana as described in Exhibit "B-1" attached hereto and made a part hereof, and as also depicted and shown more clearly on the survey plat entitled BM2 4400' RAB Zone Reservoirwide Voluntary Unit dated May 16, 2025 in Exhibit "B-2" attached hereto and made a part hereof (hereinafter referred to as the "Reservoirwide Voluntary Unit").

2.

a.) The entirety of the land and all leasehold, mineral, mineral royalty and other rights and interests affecting land within the boundaries of the Reservoirwide Voluntary Unit are hereby pooled and unitized, and may be operated as a single unit. Production obtained from any portion of the Reservoirwide Voluntary Unit shall constitute production from the single tract comprising the Reservoirwide Voluntary Unit, as well as under the terms, conditions and requirements of the Lease and other contracts affecting the unitized area.

b.) Drilling, reworking operations on, or production of oil, gas and other associated minerals from the Producing Wells, or payment of shut-in royalties associated with any portion of the Lease within the boundary of this Reservoirwide Voluntary Unit (herein after referred to as "Unit Operations"), shall be considered as operations or production on the entire acreage constituting the unit and shall have the effect of continuing the Lease in force and effect with respect to the land affected by the Lease located within the unit's geographical boundary. Any portion of the land covered by the Lease situated outside the geographical confines of the Reservoirwide Voluntary Unit shall not be maintained by Unit Operations but may be maintained in accordance with the applicable terms, conditions, and requirements of the Lease and other contracts.

3.

All royalties and other payments shall be paid on the basis of the Lease, and under the terms of the Lease under which said royalties or other payments are specified (See Exhibit "A"). The payment of such royalties or other payments on production obtained within the Reservoirwide Voluntary Unit shall constitute and be considered proper payment of royalties as to the land included within the Reservoirwide Voluntary Unit.

4.

The provisions of the Lease which may operate to decrease the royalties credited thereunder to the respective owners in the event of the failure of title, in whole or in part, shall not be impaired by this Agreement, and Lessee shall not be liable to any parties for failure of title, in whole or in part, to any portion relating to the land within the unitized area. In the event of the failure of title, in whole or in part, as to any type of interest pooled hereby, Lessee shall have no liability to any party hereto, nor shall they be obligated to make any retroactive reapportionment of royalties or payments. In such event, Lessee shall have the right to bring any outstanding title in any type of interest pooled hereby into the unitized area under the terms of this Agreement through the execution of appropriate instruments with the owners of such outstanding interest.

5.

This Agreement and the Reservoirwide Voluntary Unit established hereby shall become binding upon each party who executes or ratifies it as of the date of execution or ratification by such party and shall become effective as of the date this Agreement is approved and accepted by motion, duly adopted, of the STATE MINERAL AND ENERGY BOARD, for the State of Louisiana, or the date of first production when followed by approval and acceptance by the STATE MINERAL AND ENERGY BOARD as herein set forth, whichever comes first.

6.

Except to the extent herein expressly provided, nothing herein contained shall be construed as altering or otherwise changing in any manner any of the terms or provisions of the Lease committed hereto. Nothing herein contained shall be construed as prescribing any standard or measure as to what shall constitute proper development of property covered by the Lease. It is further understood and agreed that this Agreement shall never be construed as imposing upon any royalty owner under the Lease any obligation to pay for any development or operating expense unless such royalty owner is obligated to pay for same by the terms of agreements existing before the execution of this Agreement.

- a.) This Reservoirwide Voluntary Unit shall cover that certain oil and gas bearing sand occurring between the depths of 5,650' MD (5,204' TVDss) and 5684' MD (5,233' TVDss) as seen on the Halliburton - Gamma Ray Resistivity Log dated August 18, 2013, of the Chevron U.S.A. S.L. 1367 H-12 Well, Sidetrack Hole, Serial Number 51728, hereinafter referred to as the "Injection Well", located in the Bay Marchand Block 2 Field, Lafourche Parish, Louisiana (hereinafter referred to as the "Unit Interval"). The geographical boundary of the Unit Interval shall comprise the unit area, which is more particularly set forth and identified as the BM2 4400' RAB Zone Reservoirwide Voluntary Unit, as shown on a plat attached hereto in Exhibit "B-2", and comprises 373.791 acres (hereinafter referred to as the "Unit Area"). The Producing Wells, and the Injection Well are designated and referred to as the "Unit Wells" for this Reservoirwide Voluntary Unit upon the effective date hereof.
- b.) As to any additional well which may subsequently be drilled to the Unit Interval (hereinafter referred to as a "Unit Well"), the Operator shall timely log said well(s) to verify the areal extent of the Unit Interval as it relates to the Unit Area incorporating therewith and utilizing all other available data in Operator's possession.
- c.) If any additional Unit Well is drilled, within ninety (90) days of logging down to total depth of said Unit Well, Operator shall schedule a meeting with the STATE MINERAL AND ENERGY BOARD Staff ("Staff") and, unless notified by the Staff in writing that such a meeting is not necessary at that time, meet with the Staff to present any and all geological, seismic, and engineering information pertaining to this Reservoirwide Voluntary Unit. Thereafter, if a reasonable interpretation by the Staff of the information presented warrants a material change thereto and, further, it is requested in writing, Operator agrees and obligates itself to jointly, with the State, amend the Agreement so that the Unit Interval and Unit Area more accurately reflect the actual areal extent of the identified potentially productive sand interval(s) comprising this Reservoirwide Voluntary Unit and the geographical boundary of same.
- d.) Any unit or units created by formal order of the Louisiana Commissioner of Conservation, after public hearing, which affects a sand interval identified as a Unit Interval currently being produced or begins production at a later date in this Reservoirwide Voluntary Unit and which production maintains the Lease in force and affect with respect to such land within the Unit Area, shall automatically supersede and entirely replace this Reservoirwide Voluntary Unit with respect to that sand interval only. Thereafter, unit activity on or production from the Commissioner's unit shall serve to maintain the Lease as to that portion of land covered by the Lease within the Commissioner's unit. With respect to the remaining sand interval(s) identified as the Unit Interval not previously depleted, if any, they shall be covered by this Agreement and the Lease on such land within this Reservoirwide Voluntary Unit, but outside of the Commissioner's unit, shall be maintained by Unit Operations affecting or production from the remaining Unit Interval within the Unit Area in a timely fashion according to the terms of the Lease and this Agreement.
- e.) Within thirty (30) days of the effective date of this Agreement, the Operator shall file the necessary documents, forms and plats with the Office of Conservation to amend the well names of the Unit Wells to reflect a unit well designation in accordance with Statewide Order 29-B.
- f.) Failure to do any of the above within thirty (30) days of receipt of written notice from the Staff advising of non-compliance with any of the terms of this Agreement may, at the sole discretion of State, terminate this Reservoirwide Voluntary Unit.
- g.) In addition to the survey plat included in this Agreement, Operator shall provide a .DXF file of the Unit Area boundary with no additional lines, labels, text or graphics to the State. The single line of the Unit Area boundary shall be constructed of individual line segments between vertices.

8.

a.) There shall be no obligation on the part of the Lessee under said Lease to drill any well or wells on one part of the Reservoirwide Voluntary Unit to offset another well or wells drilled on other property within said unit, nor shall separate measuring, receiving, or storage tanks ever be required, and the Reservoirwide Voluntary Unit may be drilled, developed and operated for the production of oil, gas, and any other liquid or gaseous hydrocarbon mineral as a single unitized operation without reference to the boundary line or lines separating the properties within the Reservoirwide Voluntary Unit.

b.) Neither the creation of the Reservoirwide Voluntary Unit, nor anything herein contained, is intended to imply that the area comprising the Reservoirwide Voluntary Unit will, or will not, be efficiently and economically drained by one well.

9.

This Agreement shall terminate if the Lessee fails to commence, Unit Operations within one (1) year of the date of approval of this Agreement. It is expressly understood that, in the event production, once commenced, should cease, this Agreement shall terminate and be of no further force and effect one hundred eighty (180) days after such cessation of production. However, that if reworking or re-completion operations or the actual drilling (i.e., spudding) of another well to attempt to establish production of oil, gas or other liquid or gaseous hydrocarbons from another sand interval of the Unit Interval is commenced within one hundred eighty (180) days after such cessation, this Agreement shall remain in full force and effect so long as such reworking or re-completion or drilling operations are being conducted thereon without a cessation of more than one hundred eighty (180) days between the abandonment of one well and the reworking or re-completion of the same or another well or the commencement of the actual drilling of another well until production of oil, gas and any other liquid or gaseous hydrocarbon mineral is restored and obtained in paying quantities from the Unit Interval. For the purpose of this Agreement, shut-in gas payments made under the Lease shall be considered as production in paying quantities. Except to the extent herein above limited, this Agreement shall remain in effect so long as, but only as long as, the Lease remains in full force and effect as to all of the property presently covered thereby which is included within the boundaries of the Reservoirwide Voluntary Unit.

10.

Lessee shall have one (1) year from the date this Reservoirwide Voluntary Unit terminates to dismantle and remove operating equipment and other facilities from the Unit Area unless the Lease upon which such equipment or facilities are located is otherwise being maintained in effect.

11.

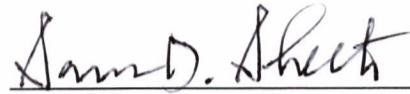
The parties hereto agree that the foregoing provisions hereof are just, fair, equitable, and proper, and are to their mutual benefit and advantage, and that the foregoing division and apportionment of interests when made shall be and remain binding until the termination of the Reservoirwide Voluntary Unit. However, if at any time any question or litigation should arise as to the ownership of any part of the property covered hereby or as to any boundary or limit of any part of the property covered by the Lease, neither this Agreement nor anything herein contained, nor any of the data, maps, or exhibits considered in connection herewith, whether attached hereto or not, nor any course of conduct followed by any party hereto pursuant to this Agreement, shall ever be considered to be, or permitted to serve as, a basis of estoppel against any party hereto, or prevent any party hereto from establishing its ownership, or having the boundaries or limits of its property determined, in any lawful manner, anything herein contained to the contrary notwithstanding.

12.

This instrument may be signed in any number of counterparts, each of which shall be deemed to be a duplicate original, and all counterparts together shall constitute a single instrument. It is also agreed that any party at interest may ratify this Agreement by separate instrument and that, as above provided, any lease subsequently acquired by Lessee may be subjected to the terms hereof by an appropriate declaration.

IN WITNESS WHEREOF, this instrument is executed as of the date set forth above.

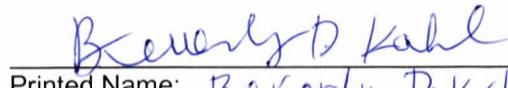
WITNESSES:



Printed Name: Sam D. Sheets



Printed Name: William B. Raley



Printed Name: Beverly D. Kahl



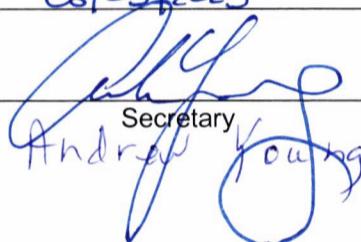
Printed Name: Michael N. Ronig

LESSEE:

CANTIUM LLC
By: 

Richard Kirkland
Its: Chief Executive Officer

STATE ENERGY AND MINERAL BOARD
for and on behalf of the STATE OF LOUISIANA

Date: 08/05/2025
By: 

Andrew Young
Secretary

[Acknowledgements are on the following page]

WITNESS ACKNOWLEDGMENTS

STATE OF LOUISIANA

PARISH OF East Baton Rouge

BEFORE ME, the undersigned authority, personally came and appeared,
Beverly D. Kahl who by me being first duly sworn, deposed and said:

That he/she is one of the witnesses to the execution of the foregoing instrument and that he/she
saw Andrew Young sign said instrument as
Secretary of the STATE MINERAL AND ENERGY
BOARD for and on behalf of the STATE OF LOUISIANA, in the presence of appearer and
Michael N. Romig, the other subscribing witness.

Beverly D. Kahl

WITNESS

Beverly D. Kahl

PRINTED NAME

SWORN TO AND SUBSCRIBED before me on this 5 day of August, 2025.



NOTARY PUBLIC

Elizabeth Ferrier LA Bar Roll 40603

PRINTED NAME/NOTARY NUMBER

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

BEFORE ME, the undersigned authority, personally came and appeared, Sam D. Sheets,
who by me being first duly sworn, deposed and said:

That he/she is one of the witnesses to the execution of the foregoing instrument and that he/she
saw Richard Kirkland sign said instrument as duly authorized Chief Executive Officer of
CANTIUM, LLC, a Delaware limited liability company, in the presence of appearer and
William B. Raley, the other subscribing witness.

Sam D. Sheets

WITNESS

Sam D. Sheets

PRINTED NAME

SWORN TO AND SUBSCRIBED before me on this 19th day of May, 2025,
at 111 Park Place, Covington, LA 70433.

Amy M. Brumfield

NOTARY PUBLIC

Amy M. Brumfield LA # 138575

PRINTED NAME/NOTARY NUMBER

My commission is for life.



Exhibit "A"

Lease

State Lease No. 1367 dated effective March 15, 1948, by and between the State Mineral Board of the State of Louisiana, acting on behalf of the State of Louisiana and The California Company, as Lessee, applying to property located in Lafourche Parish, Louisiana, described as Tract 3047, being Block 3, Bay Marchand Area, containing 4,999.97 acres, and recorded in Conveyance Book No. 132, under Entry No. 77527, of the Conveyance Records of the Clerk of Court of Lafourche Parish, as amended of record ("S.L. 1367"); Less and Except those portions of S.L. 1367, (i) seaward of the June 16, 1975 Supplemental Decree line as established by decision of the U.S. Supreme Court (*U.S.A. v. State of Louisiana, No. 9, Original*), that became a separate and distinct lease pursuant to Section 6 of the Outer Continental Shelf Lands Act of August 7, 1953, and such lease was agreed to contain 1,339.63 acres as per that certain November 17, 1981 letter agreement between the United States Department of the Interior and Chevron U.S.A. Inc., and (ii) released by Partial Release dated March 23, 1998, containing 530.80 acres, and recorded in Conveyance Book No. 1343, Page 512, under Entry No. 831003, of the parish records. Thus, S.L. 1367 now comprises 3,129.54 acres.

Exhibit "B-1"

BM2 4400' RAB Zone Reservoirwide Voluntary Unit

Legal Description: That particular piece located in Block 3, Bay Marchand Area, Lafourche Parish, Louisiana, having a Point of Commencement being the Southwest Corner of Block 3, Thence North 12,280.74' and East 3,326.81' to the (P.O.B.) being more particularly described as follows:

Beginning at the Point of Beginning (P.O.B.) having coordinates of X: 2,367,654.54' and Y: 146,610.74' , Thence a bearing of N 38°42'22" W a distance of 606.32'; Thence a bearing of N 36°12'31" W a distance of 1443.57'; Thence a bearing of N 31°01'55" W a distance of 972.94'; Thence with a curve turning to the right with an arc length of 1,059.57', with a radius of 2,832.00', with a chord bearing of N 49°05'36" E, with a chord length of 1,053.41', Thence with a reverse curve turning to the left with an arc length of 542.46', with a radius of 2,539.00', with a chord bearing of N 62°11'30" E, with a chord length of 541.43', Thence with a reverse curve turning to the right with an arc length of 3869.44', with a radius of 66885.00', with a chord bearing of N 65°02'38" E, with a chord length of 3,868.90'; Thence a bearing of S 05°56'18" W a distance of 440.02'; Thence a bearing of S 09°12'55" W a distance of 292.26'; Thence a bearing of S 05°44'33" W a distance of 464.55'; Thence a bearing of S 22°03'46" E a distance of 146.07'; Thence with a curve turning to the right with an arc length of 843.30', with a radius of 5,879.00', with a chord bearing of N 63°20'00" E, with a chord length of 842.57', Thence with a reverse curve turning to the left with an arc length of 528.14', with a radius of 1375.00', with a chord bearing of S 03°31'47" E, with a chord length of 524.90', Thence a bearing of S 28°41'38" E a distance of 389.46'; Thence a bearing of S 42°30'51" E a distance of 256.16'; Thence with a curve turning to the right with an arc length of 555.18', with a radius of 437.00', with a chord bearing of S 02°34'59" E, with a chord length of 518.59'; Thence with a compound curve turning to the right with an arc length of 344.52', with a radius of 1,068.00', with a chord bearing of S 40°02'01" W, with a chord length of 343.03', Thence with a reverse curve turning to the left with an arc length of 1,107.25', with a radius of 9,013.00', with a chord bearing of S 54°11'00" W, with a chord length of 1,106.55', Thence with a reverse curve turning to the right with an arc length of 3,439.29', with a radius of 10,119.00', with a chord bearing of S 61°47'08" W, with a chord length of 3,422.76', back to the Point of Beginning (P.O.B.), having an area of 373.791 acres within Bay Marchand Area Block 3, all being more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Energy and Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

Exhibit "B-2"

Survey Plat dated May 16, 2025 attached hereto

