



# LOGGA

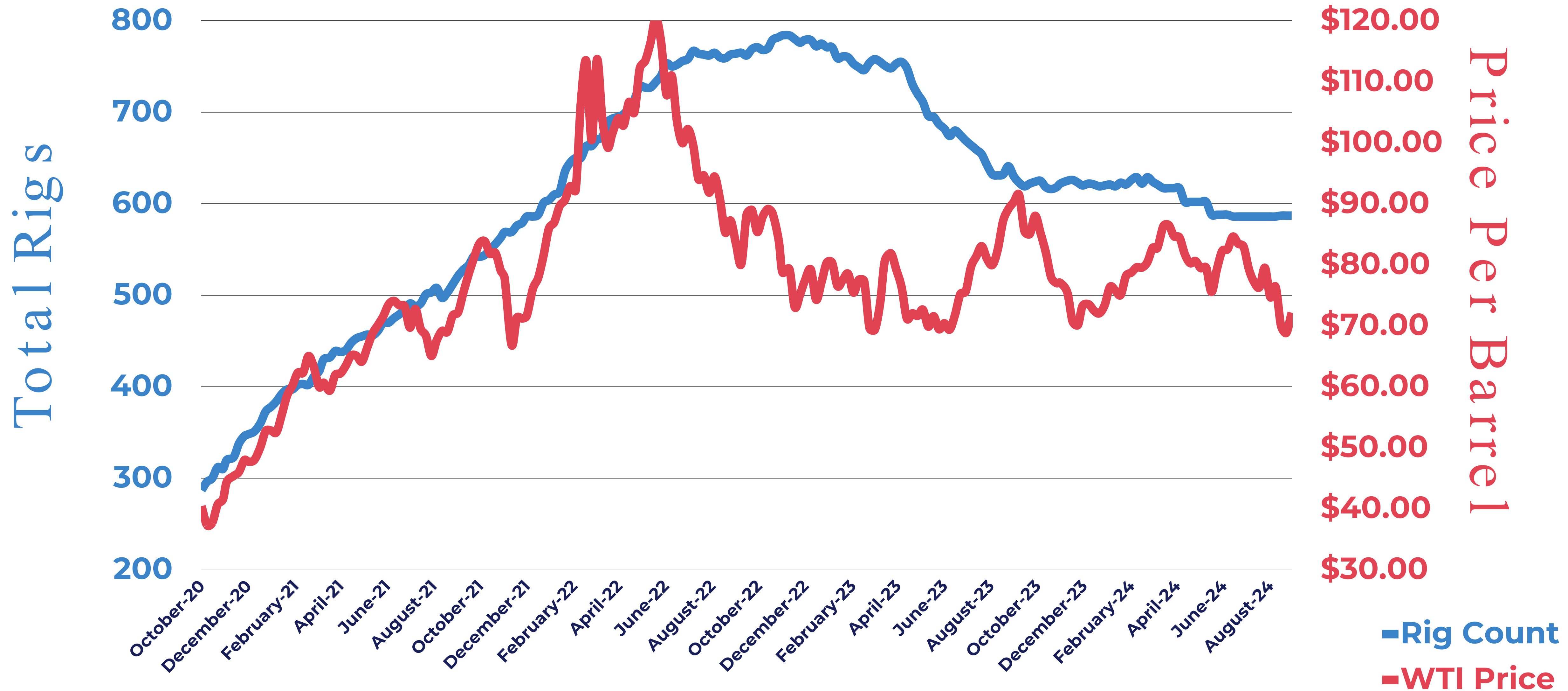
LOUISIANA OIL & GAS ASSOCIATION

# STATE OF THE INDUSTRY

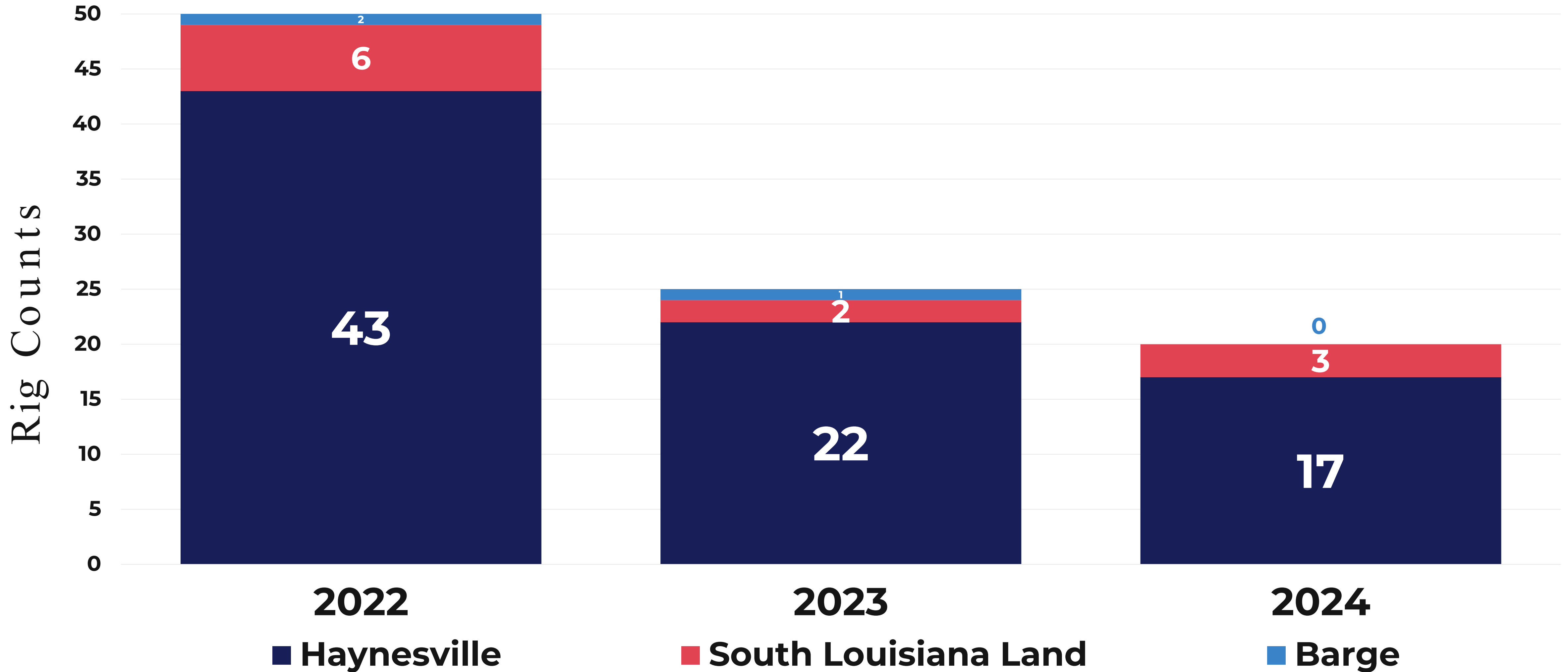
## **Ports Association of Louisiana**

March 25, 2025 | Renaissance Hotel

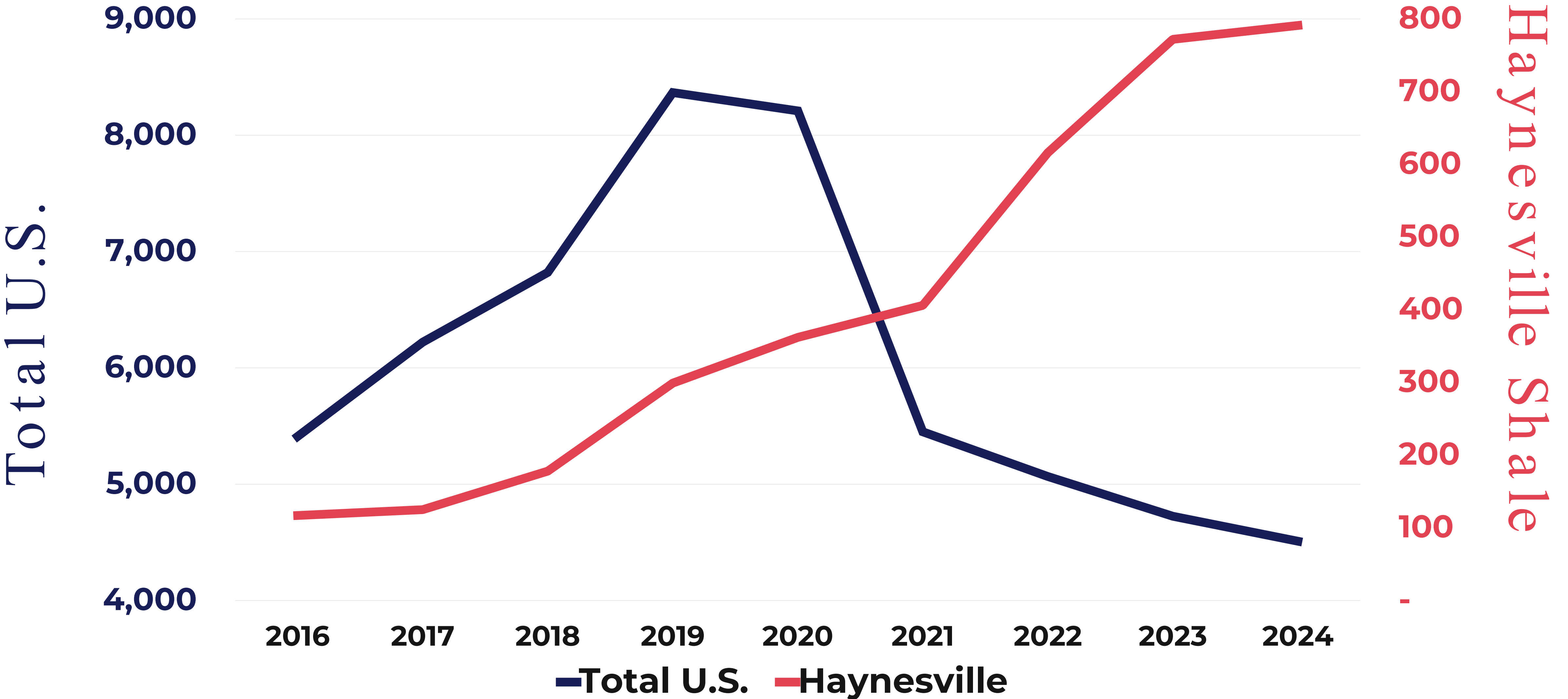
# National Rig Counts vs. WTI Price 2020-Present



# Louisiana Drilling Rig Counts 2022-2024



# Drilled, but Uncompleted (DUC) Wells 2016-Present





# RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #24-06-003

Royalty Reduction  
Program

(LEGAL & TITLE CONTROVERSY)

On motion of Mr. Shepherd and seconded by Mr. Moncla, the following Resolution was offered and adopted:

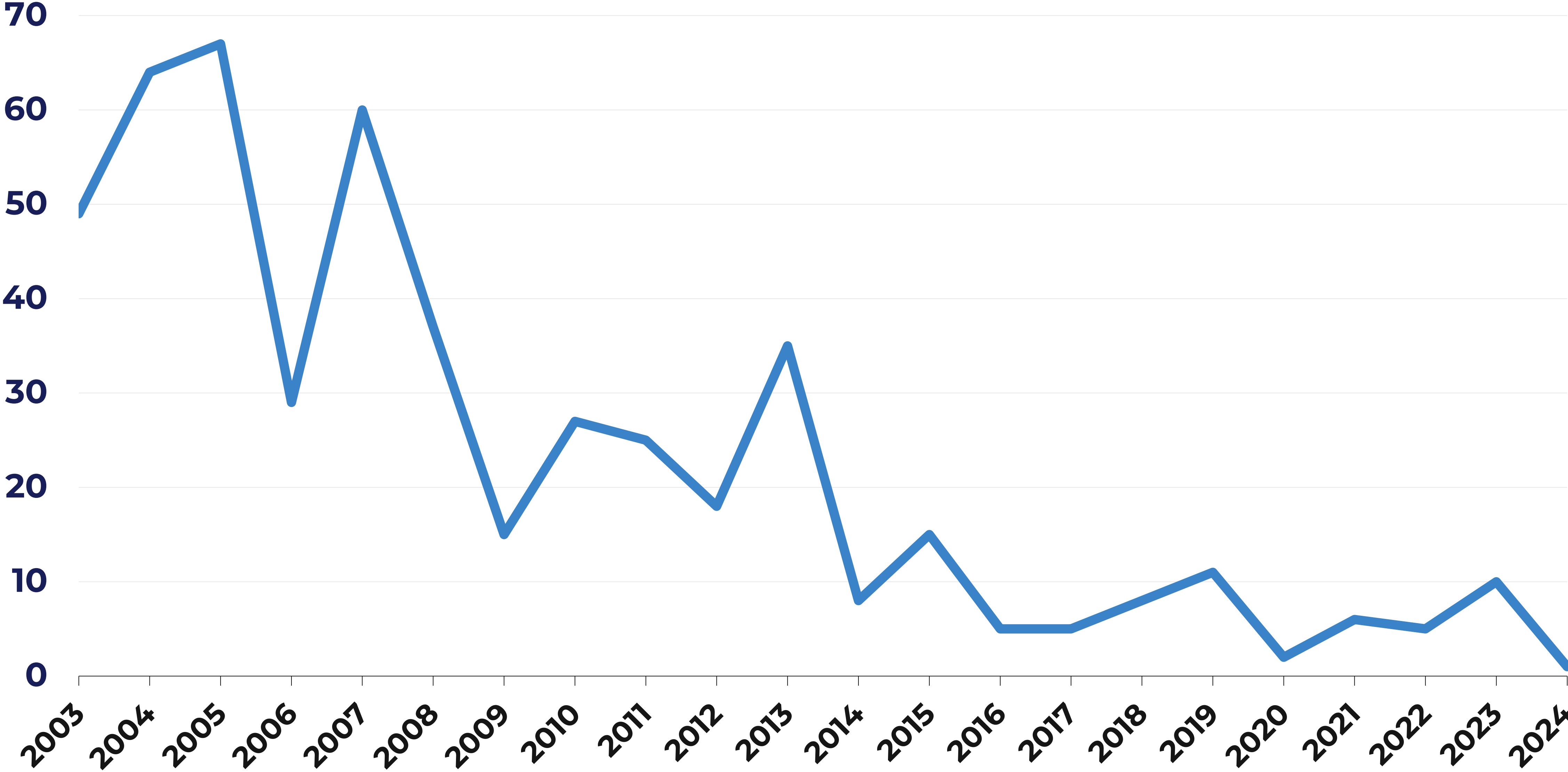
**WHEREAS**, pursuant to La. R.S. 30:129, the State Mineral and Energy Board (“**Board**”) has full supervision of all State mineral leases and is authorized to take all appropriate action to assure that undeveloped or nonproducing State lands and water bottoms are reasonably and prudently explored, developed, and produced for the public good; and

**WHEREAS**, the Board offers the following proposed temporary royalty reduction program (“**RRP**”) as incentive to encourage exploration and production of the State’s minerals;

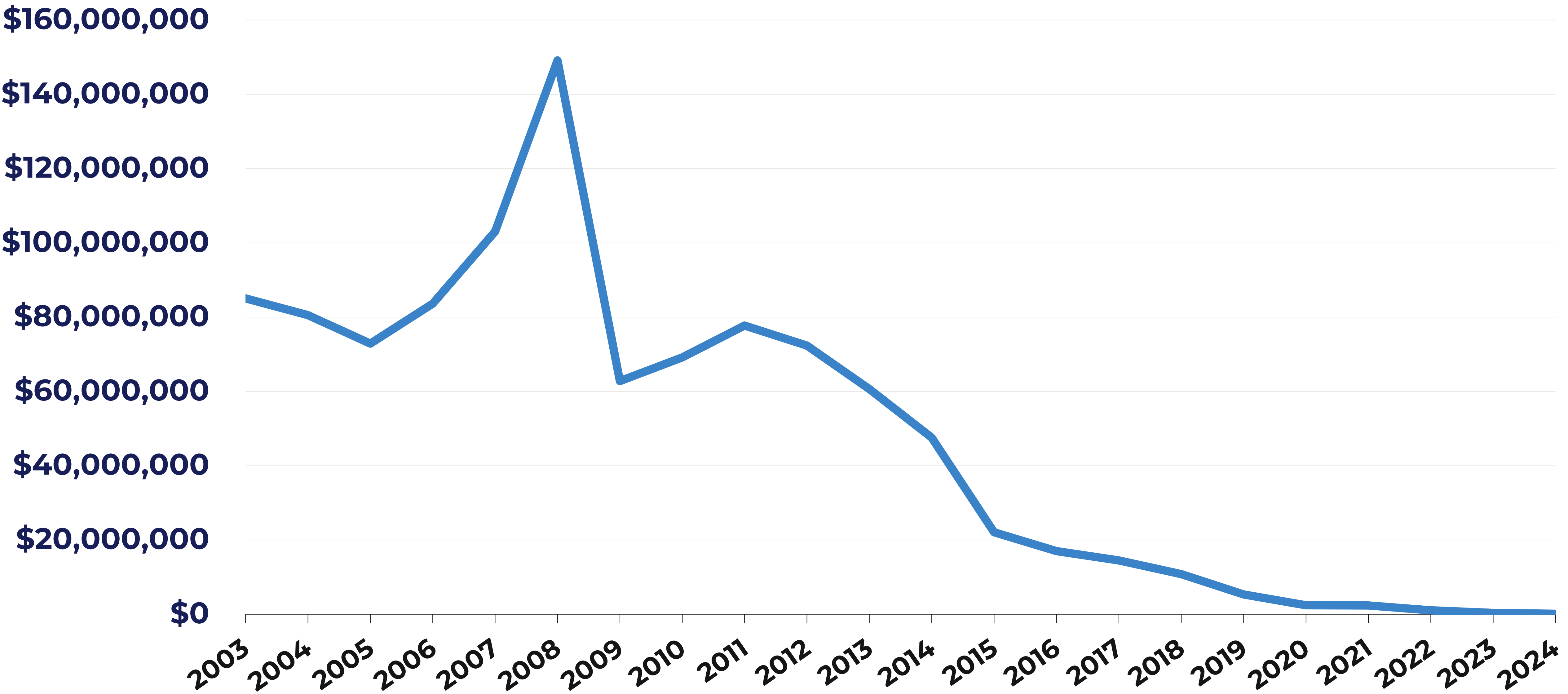
**NOW THEREFORE, BE IT RESOLVED**, the Board authorizes the staff of the Office of Mineral Resources (“**OMR**”) to develop and enact the RRP in accordance with the following terms:

1. The RRP shall apply to all State mineral leases issued during the period beginning on January 1, 2024 and ending on December 31, 2024. This time period shall hereinafter be referred to as the (“**Program Term**”).
2. Upon verification and approval as required herein, OMR shall temporarily reduce the royalty rate of a qualifying State lease by an amount up to 5.5%, but in no case shall the royalty of the State lease be lower than 18.5%, on any State lease that is acquired during the Program Term. Royalty reduction shall not be granted unless sales of production from the leased premises or lands pooled or unitized therewith are commenced within the first thirty-six (36) months from the Effective Date of the subject inland State lease and the first sixty (60) months from the Effective Date of the subject offshore State lease.
3. The reduced royalty shall be for a term not to exceed the first thirty-six (36) consecutive months from the first sales of production from the leased premises or lands pooled or unitized therewith (“**Royalty Reduction Term**”). During the Royalty Reduction Term, the reduced royalty shall apply to all production obtained from the leased premises or lands pooled or unitized therewith, regardless of when said production is established from the initial well or subsequent well(s). There will be only one Royalty Reduction Term per State lease; a new or different term will not begin for subsequent production on the same lease, regardless of whether subsequent production is from one or more new well(s).

# Inland/Offshore New State Leases 2003-Present

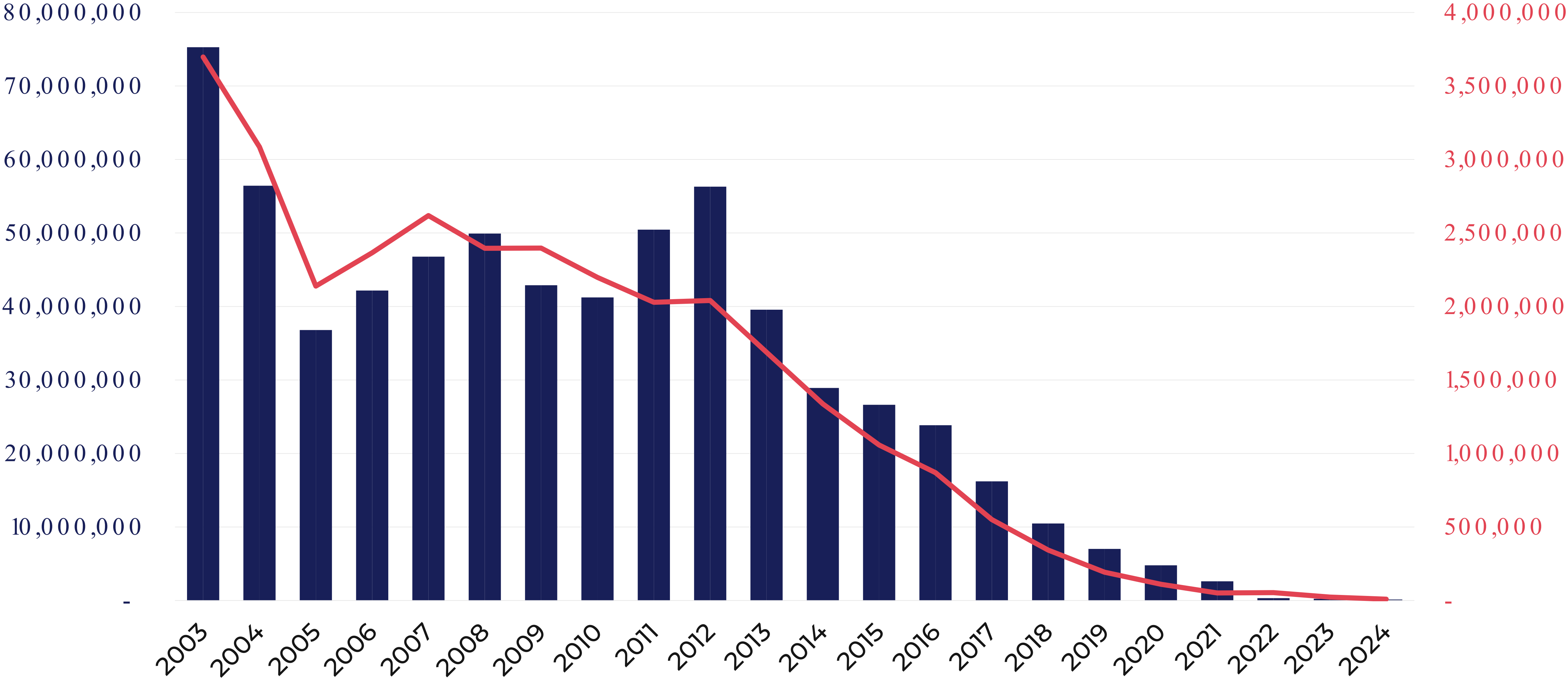


# Inland/Offshore State Lease Royalties 2003-Present



# Inland/Offshore State Lease Production 2003-Present

■ Gas (Mcf) — Oil (bbls)





# Top 25 Louisiana Oil Producers (2023)

Rank	Organization Name	Producing Wells	Crude Oil	Condensate	Oil Total
1	HILCORP ENERGY COMPANY	413	4,470,459	644,090	5,114,549
2	TEXAS PETROLEUM INVESTMENT COMPANY	743	3,234,675	233,933	3,468,608
3	CANTIUM, LLC	68	1,443,457	6,038	1,449,495
4	BAYOU BOUILLON OPERATING LLC	12	1,353,563	0	1,353,563
5	DENBURY ONSHORE, LLC	440	1,088,330	64,388	1,152,718
6	PERDIDO ENERGY LOUISIANA, LLC	100	711,553	121,453	833,006
7	LLOX, L.L.C.	38	396,239	403,728	799,967
8	DUNN EXPLORATION COMPANY, LLC	49	696,716	29,809	726,525
9	XTO ENERGY INC.	718	520,685	141,428	662,113
10	WHITNEY OIL & GAS, LLC	191	597,829	52,460	650,289
11	EMPRESA OPERATING, LLC	49	5,309	630,769	636,078
12	HELIS OIL & GAS COMPANY, LLC	2	473,190	0	473,190
13	URBAN OIL & GAS GROUP, LLC	244	288,897	89,478	378,375
14	SOUTHERN OIL OF LOUISIANA LLC	18	283,959	71,490	355,449
15	KEY OPERATING COMPANY	24	288,681	66,618	355,299
16	FORMENTERA OPERATIONS LLC	80	255,475	89,233	344,708
17	CASTEX ENERGY, INC.	11	0	336,122	336,122
18	SOLDIER OPERATING LLC	5	308,091	174	308,265
19	BADGER ENERGY LLC	6	275,837	2,008	277,845
20	MCGOWAN WORKING PARTNERS, INC.	131	256,947	1,658	258,605
21	ORX RESOURCES, L.L.C.	165	127,511	108,348	235,859
22	TGNR TVL LLC	85	56,130	178,913	235,043
23	OLIPDP II, LLC	31	92,734	128,726	221,460
24	SQUARE MILE ENERGY, L.L.C.	6	77,822	130,596	208,418
25	C.T.R. OIL, INC.	65	203,655	0	203,655

# Top 25 Louisiana Gas Producers (2023)

Rank	Organization Name	Producing Wells	Natural Gas	Casinghead Gas	Gas Total
1	<b>SWN PRODUCTION (LOUISIANA), LLC</b>	1452	951,639,879	0	951,639,879
2	<b>CHESAPEAKE OPERATING, L.L.C.</b>	1712	721,990,755	0	721,990,755
3	<b>AETHON ENERGY OPERATING LLC</b>	1588	520,821,815	0	520,821,815
4	<b>COMSTOCK OIL &amp; GAS--LA, LLC</b>	909	497,354,007	4,602	497,358,609
5	<b>BPX OPERATING COMPANY</b>	596	238,150,432	0	238,150,432
6	<b>PALOMA NATURAL GAS, LLC</b>	143	172,600,550	12,336	172,612,886
7	<b>TRINITY OPERATING (USG), LLC</b>	90	142,630,636	0	142,630,636
8	<b>TELLURIAN OPERATING LLC</b>	251	132,384,570	4268	132,388,838
9	<b>EXCO OPERATING COMPANY, LP</b>	556	116,782,101	0	116,782,101
10	<b>SILVER HILL ENERGY OPERATING, LLC</b>	26	62,775,482	0	62,775,482
11	<b>DIVERSIFIED PRODUCTION LLC</b>	1954	47,634,326	34,003	47,668,329
12	<b>BLUE DOME OPERATING, LLC</b>	273	46,865,361	19147	46,884,508
13	<b>TGNR TVL LLC</b>	85	33,462,107	0	33,462,107
14	<b>XTO ENERGY INC.</b>	718	17,684,807	865,736	18,550,543
15	<b>HILCORP ENERGY COMPANY</b>	413	11,715,168	5,675,926	17,391,094
16	<b>COMPASS ENERGY OPERATING, LLC</b>	371	11,328,974	0	11,328,974
17	<b>TEXAS PETROLEUM INVESTMENT COMPANY</b>	743	8,497,035	2,412,540	10,909,575
18	<b>LLOX, L.L.C.</b>	38	9,648,583	229,371	9,877,954
19	<b>CASTEX ENERGY, INC.</b>	11	6,577,683	0	6,577,683
20	<b>EMPRESA OPERATING, LLC</b>	49	5,227,980	29,146	5,257,126
21	<b>ORX RESOURCES, L.L.C.</b>	165	4,778,651	422,318	5,200,969
22	<b>BROOKSTON ENERGY, INC.</b>	239	3,854,800	0	3,854,800
23	<b>PAN-OK PRODUCTION COMPANY</b>	8	3,789,094	0	3,789,094
24	<b>PERDIDO ENERGY LOUISIANA, LLC</b>	100	3,124,466	422,033	3,546,499
25	<b>SQUARE MILE ENERGY, L.L.C.</b>	6	2,666,424	127,850	2,794,274



# Top 25 Louisiana Oil & Gas Producers (2023)

Rank	Organization Name	Producing Wells	Gas Total	Oil Total	MBOE @ 20:1
1	<b>SWN PRODUCTION (LOUISIANA), LLC</b>	1452	951,639,879	110	47,582,104
2	<b>CHESAPEAKE OPERATING, L.L.C.</b>	1712	721,990,755	178	36,099,716
3	<b>AETHON ENERGY OPERATING LLC</b>	1588	520,821,815	23,454	26,064,545
4	<b>COMSTOCK OIL &amp; GAS--LA, LLC</b>	909	497,358,609	6,652	24,874,582
5	<b>BPX OPERATING COMPANY</b>	596	238,150,432	204	11,907,726
6	<b>PALOMA NATURAL GAS, LLC</b>	143	172,612,886	58,980	8,689,624
7	<b>TRINITY OPERATING (USG), LLC</b>	90	142,630,636	0	7,131,532
8	<b>TELLURIAN OPERATING LLC</b>	251	132,388,838	49208	6,668,650
9	<b>HILCORP ENERGY COMPANY</b>	413	17,391,094	5,114,549	5,984,104
10	<b>EXCO OPERATING COMPANY, LP</b>	556	116,782,101	0	5,839,105
11	<b>TEXAS PETROLEUM INVESTMENT COMPANY</b>	743	10,909,575	3,468,608	4,014,087
12	<b>SILVER HILL ENERGY OPERATING, LLC</b>	26	62,775,482	495	3,139,269
13	<b>DIVERSIFIED PRODUCTION LLC</b>	1954	47,668,329	142,074	2,525,490
14	<b>BLUE DOME OPERATING, LLC</b>	273	46,884,508	89240	2,433,465
15	<b>TGNR TVL LLC</b>	85	33,462,107	235,043	1,908,148
16	<b>XTO ENERGY INC.</b>	718	18,550,543	662,113	1,589,640
17	<b>CANTIUM, LLC</b>	68	493,566	1,449,495	1,474,173
18	<b>BAYOU BOUILLON OPERATING LLC</b>	12	566,591	1,353,563	1,381,893
19	<b>LLOX, L.L.C.</b>	38	9,877,954	799,967	1,293,865
20	<b>DENBURY ONSHORE, LLC</b>	440	885,829	1,152,718	1,197,009
21	<b>PERDIDO ENERGY LOUISIANA, LLC</b>	100	3,546,499	833,006	1,010,331
22	<b>EMPRESA OPERATING, LLC</b>	49	5,257,126	636,078	898,934
23	<b>DUNN EXPLORATION COMPANY, LLC</b>	49	397,606	726,525	746,405
24	<b>WHITNEY OIL &amp; GAS, LLC</b>	191	1,044,718	650,289	702,525
25	<b>CASTEX ENERGY, INC.</b>	11	6,577,683	336,122	665,006



# OFFSHORE



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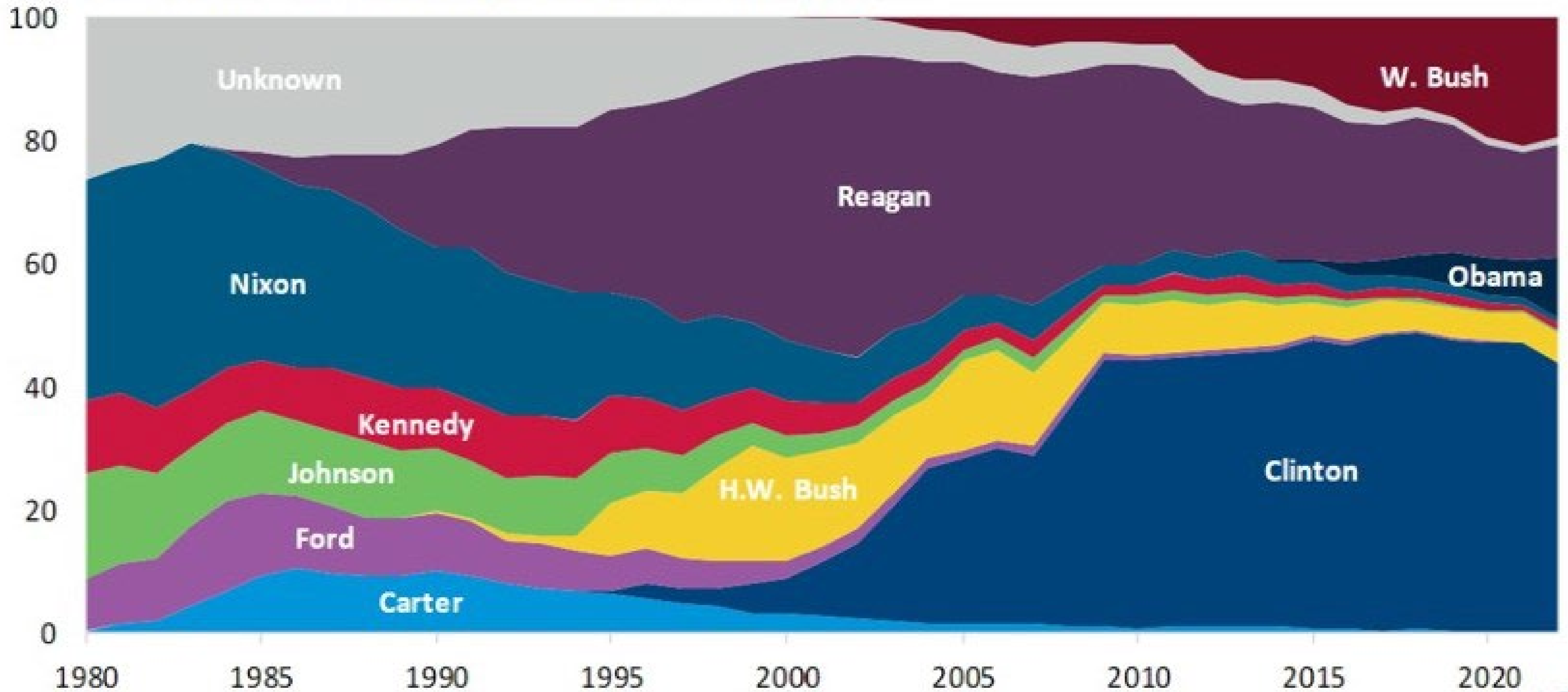


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# Offshore crude oil production comes from legacy lease sales

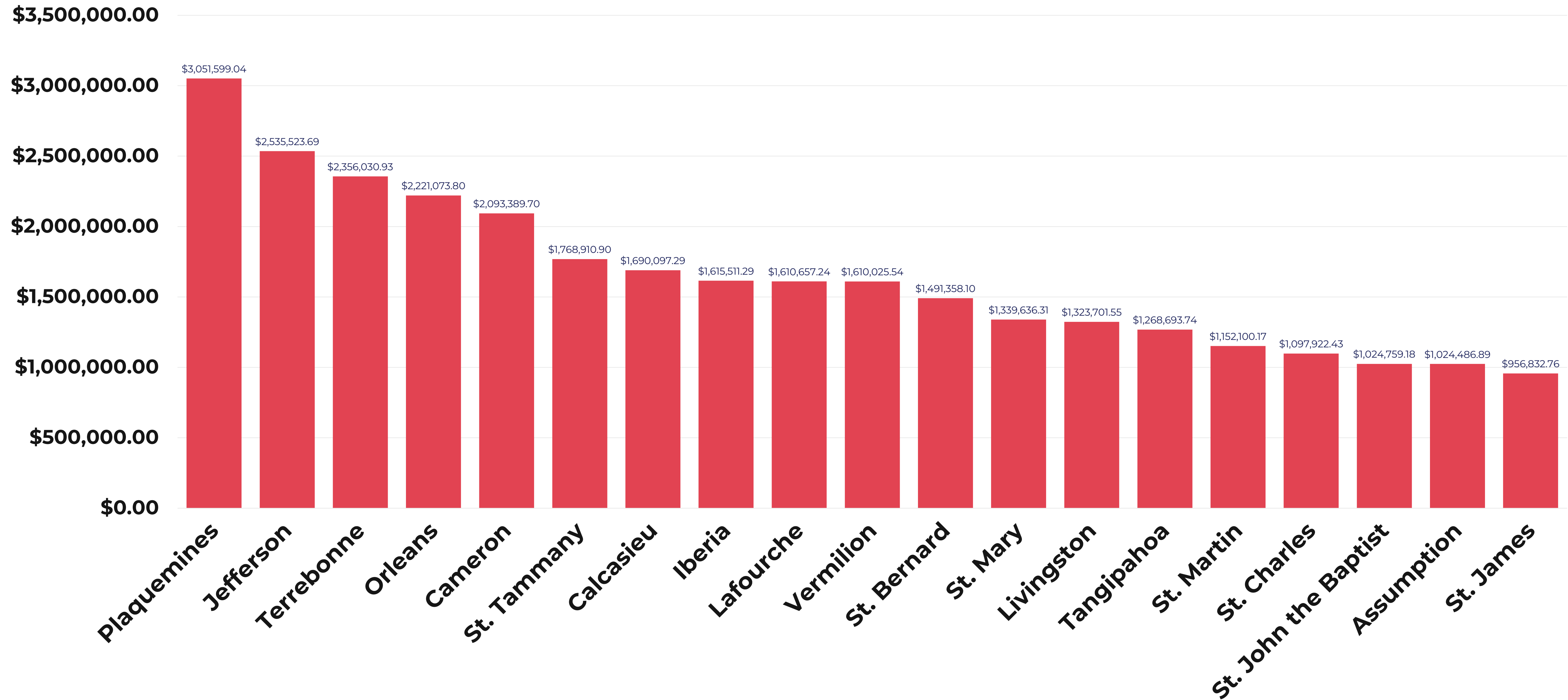
Share of U.S. offshore production by presidential lease sales (percent)



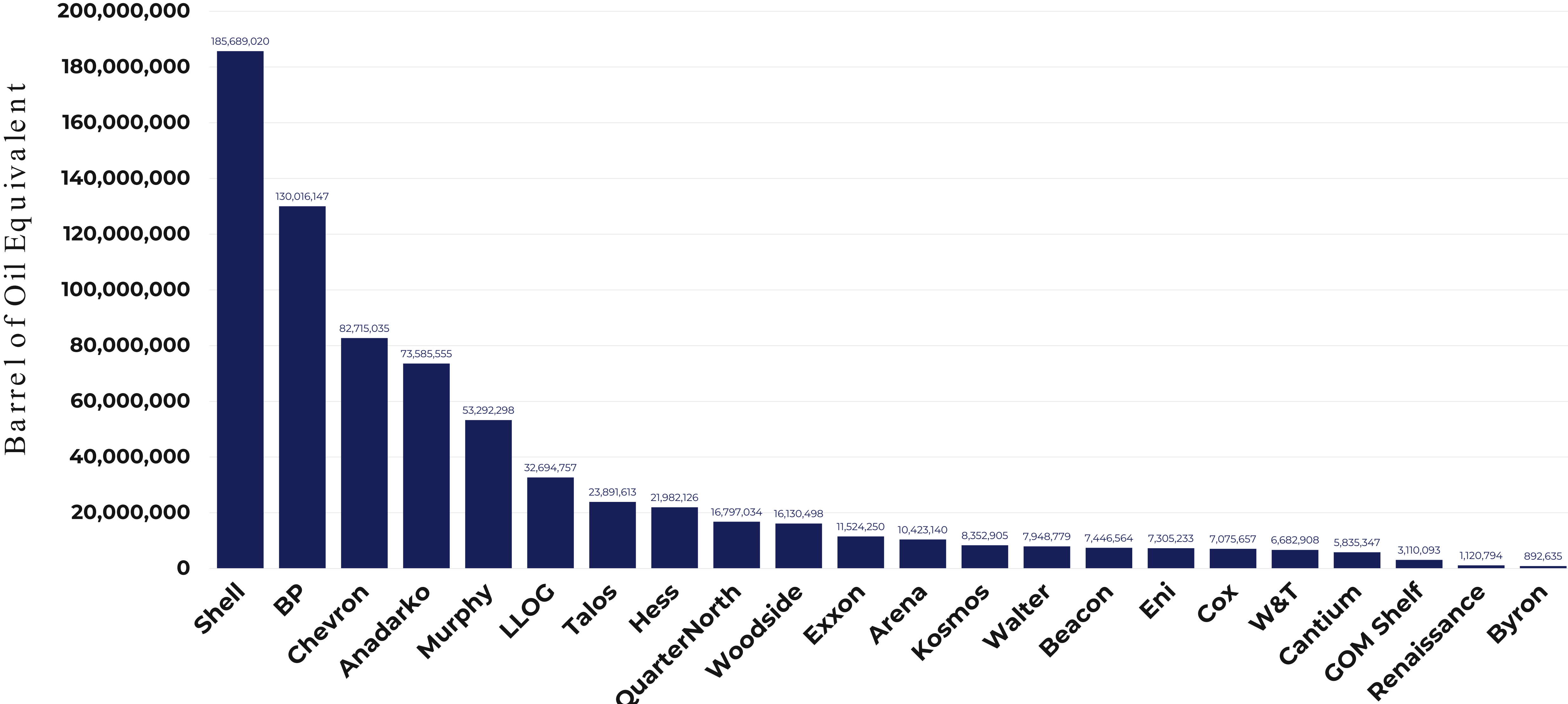
Source: Bureau of Safety and Environmental Enforcement; Bureau of Ocean Energy Management; API calculations



# 2023 GOMESA Funds Received by Parish



# 2023 Offshore Production by Operator





# LNG



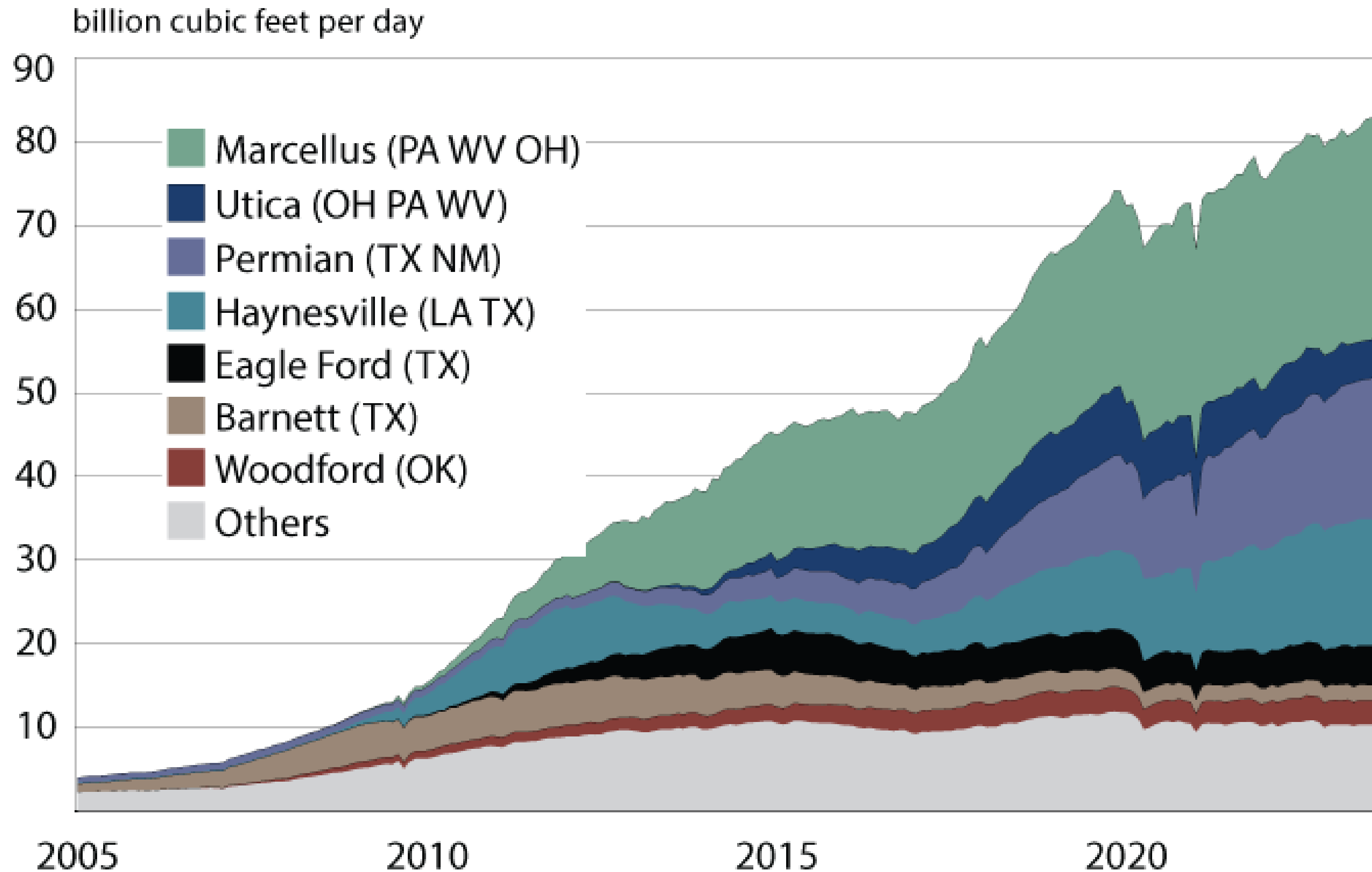
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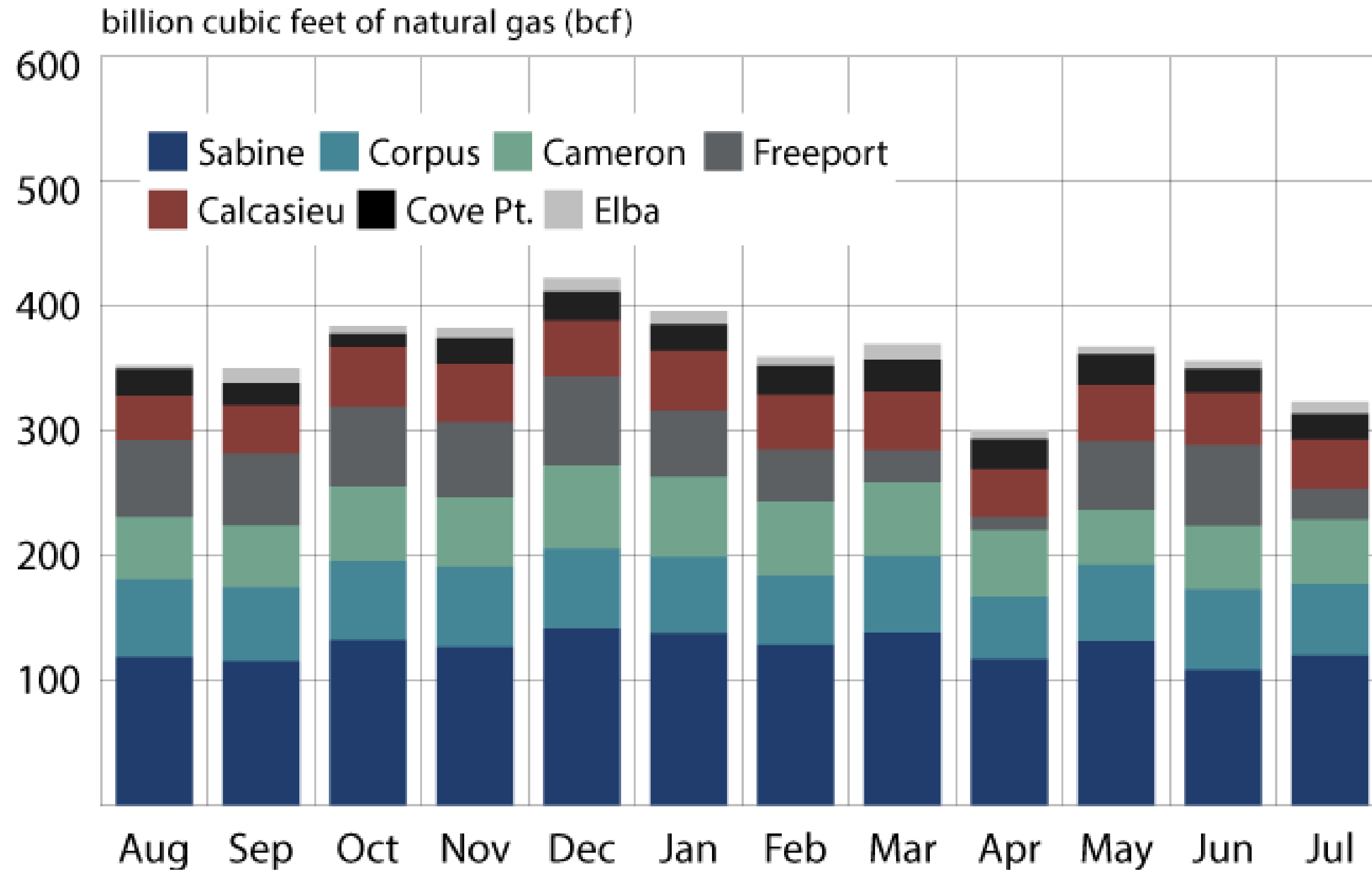
# U.S. Dry Shale Gas by Basin



Source: EIA Natural Gas Weekly Update (09 Nov. 2023)

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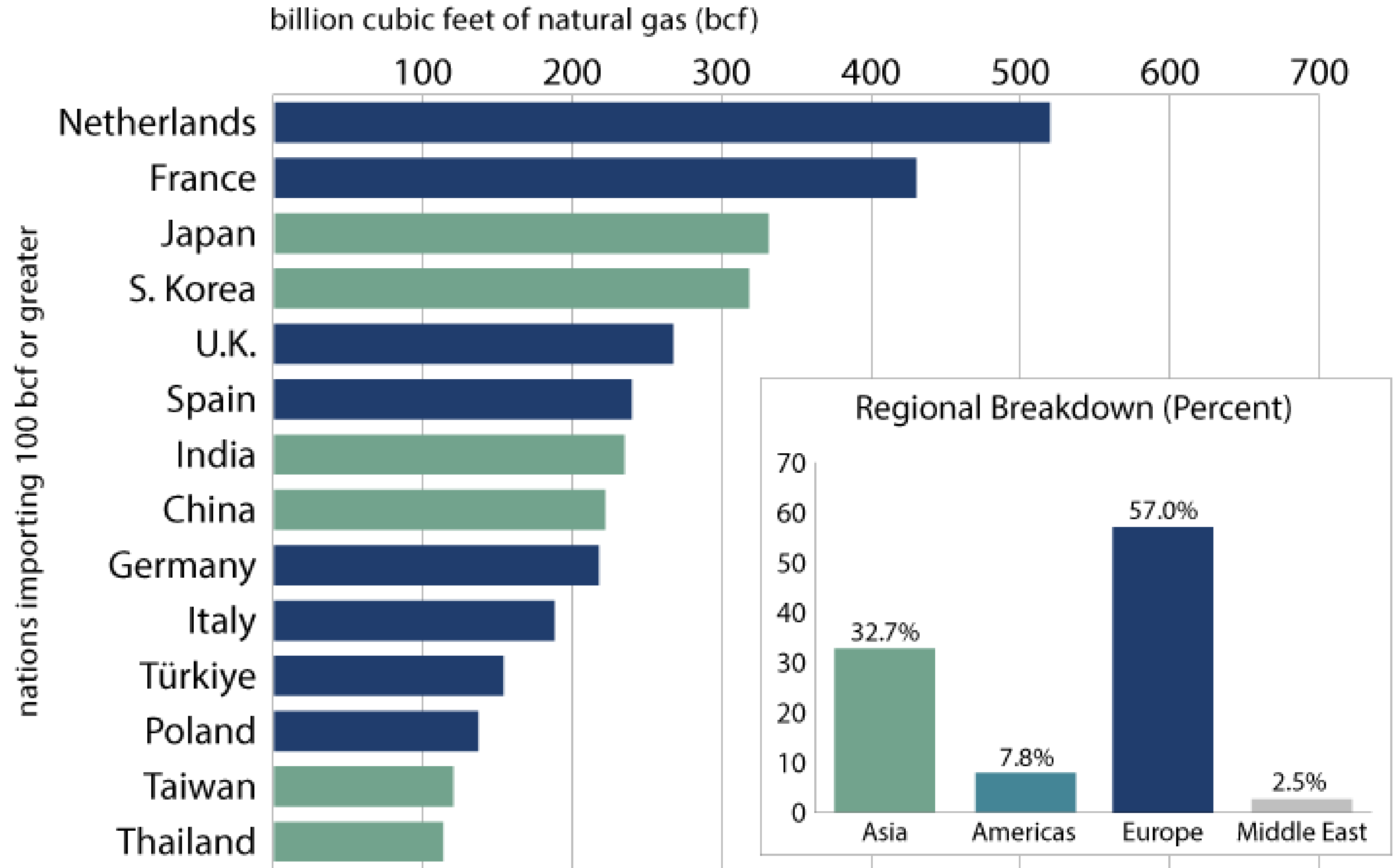
# U.S. LNG Exports by Facility – Past 12 Months



Source: DOE LNG Monthly (Data thru July 2024)

©LNG Allies, 2024

# Top U.S. LNG Destinations – Past 12 Months



Source: DOE LNG Monthly (Data thru July 2024)

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# 2025 Fiscal SESSION

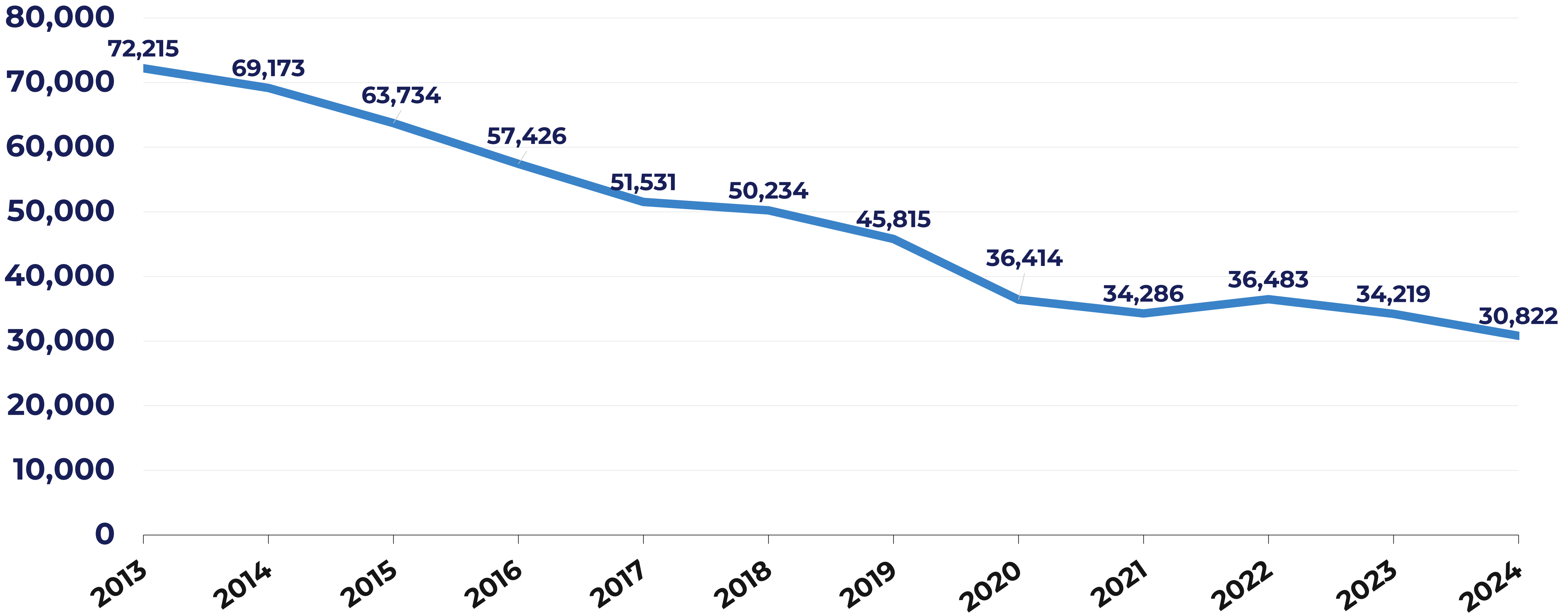
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# Louisiana Crude Oil Production 2013-2024 (Thousand Barrels)



# Legacy Bill – What it Does



- Makes it clear that once an admission is made, the trial is stayed until DNR determines next steps, which limits attorney's fees
- Gives DNR authority to apply existing regulations over landowner objections
- Requires that cleanup plans by DNR expert are adopted by courts – unless found arbitrary & capricious
- Allowed defendants found not legally responsible to recover attorney's fees
- Clears up that there is no remediation required if DNR's plan doesn't require remediation
- Adds a preemptive period of ten years after the alleged act. For somewhat of a grandfather clause for existing claims, the deadline to file a claim will be February 23, 2029.

# Legacy Bill – Damages



- Goes back to original law from 2014, which was that a finding of unreasonable or excessive operations requires a defendant to restore the property as required by LA environmental regulations
- Limits the right to recover “economic damages” only if proven by clear and convincing evidence
- Limits aa other non-remediation damages like loss of use or mental anguish to the market value of the damaged property (actual amount). There is no limit on the damages that can be awarded to remediate the property



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SECRETARY

DUSTIN H. DAVIDSON  
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MARK NORMAND, JR.  
UNDERSECRETARY

MANNY ACOSTA  
OIL SPILL COORDINATOR

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ANDREW B. YOUNG  
ASSISTANT SECRETARY  
MINERAL RESOURCES

STEVEN M. GAMBIRONE  
INTERIM DIRECTOR  
CONSERVATION

## DEPARTMENT OF ENERGY AND NATURAL RESOURCES

February 4, 2025

Ms. Lisa Crooks  
Justiss Oil Company, Inc (3174)  
P.O. Box 2990  
Jena, LA 71342-2990

RE: Audit of Louisiana State Leases

Dear Ms. Crooks:

This is to advise you that the Louisiana Office of Mineral Resources plans to conduct an onsite audit of all royalty payments made by Justiss Oil Company, Inc (3174) for the audit period of January 1984 through December 2024.

We request that necessary office space be made available for four (4) auditors for approximately six (6) weeks beginning on March 3, 2025.

Louisiana Revised Statute (LSA-R.S.) 30:136.A (1) (c) provides for payors to make available for inspection by the Office of Mineral Resources auditors any information that is reasonable to the computation of royalties or upon request to duplicate those records. Full text of La.R.S. 30:136.A (1) (c) may be viewed at <http://www.legis.la.gov/Legis/Law.aspx?d=86965>.

Attachment I lists the fields to be audited. Attachment II details the documentation necessary to conduct this audit. Please provide all documentation as listed to facilitate the completion of this audit within the scheduled period. Attachment III requests information concerning the marketing arrangements. Please complete the form and provide it to the auditors at the beginning of the audit. Until this audit has been completed and has closed, refrain from submitting any Prior Period Adjustments (PPAs) for the audit period in its entirety, beginning with the date of this engagement letter.

Post Office Box 94396, Baton Rouge, LA 70804-9396 • 617 North Third Street, Baton Rouge, LA 70802  
PHONE: (225)342-2710 • FAX: (225)342-3790 • [www.dnr.louisiana.gov](http://www.dnr.louisiana.gov)  
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# 2024 Special Session Severance Tax Bill Overview

**Bill #11:** Oil and gas overhaul; applicable 7/1/25 (2/3 vote)

- Applies reduced severance rate of 6% to oil produced from NEW wells (completed on or after 7/1/25)
- Current wells will pay 12.5% until 7/1/35
- Converts oil to volumetric rate set by Secretary of the Department of Natural Resources every 6 months (will apply to all wells beginning 7/1/25)
- Applies rate of 6% to natural gas produced from NEW wells (completed on or after 7/1/25)
- Revises determination of volumetric rate for natural gas; will be updated every 6 months
- Allows horizontal well exemption for wells completed on or after 7/1/25 ONLY IF well is on same regulatory unit approved horizontal well
- Allows deep well exemption for wells completed on or after 7/1/25 ONLY IF well is on same regulatory unit approved deep well
- Increases cap on severance tax payments to locals to \$2.472M
- Revises dedications of mineral revenues



# Louisiana Severance Tax Intake & Swings

(In Millions)

Year	Intake	Previous Year Swing
20 15	550	-284
20 16	365	-185
20 17	377	+12
20 18	485	+108
20 19	478	-7
20 20	327	-151
20 21	349	+12
20 22	702	+353
20 23	848	+146
20 24	605	-243

Average Annual Intake:  
**509/year**

Average Annual Swing:  
**150/year**



# ELECTIONS 2024



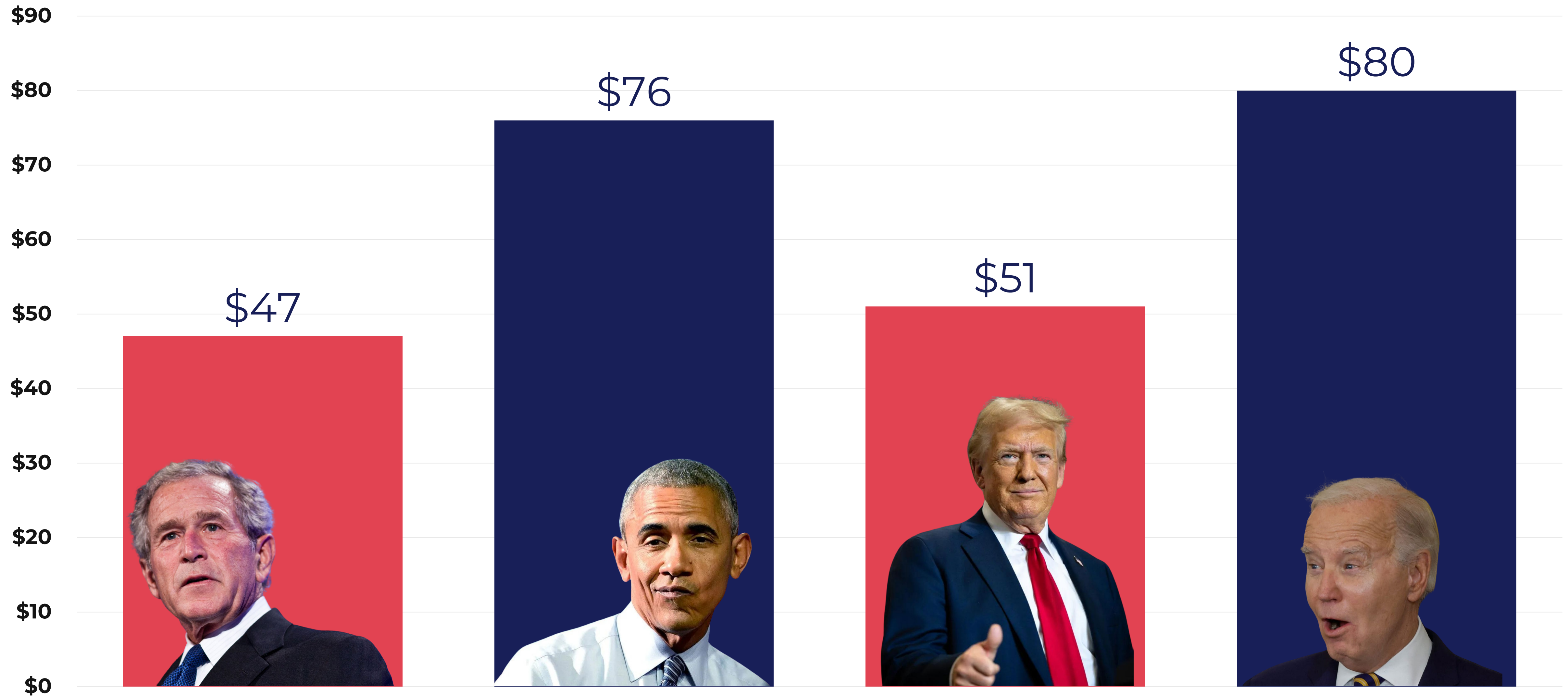
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# Average Oil Price by President



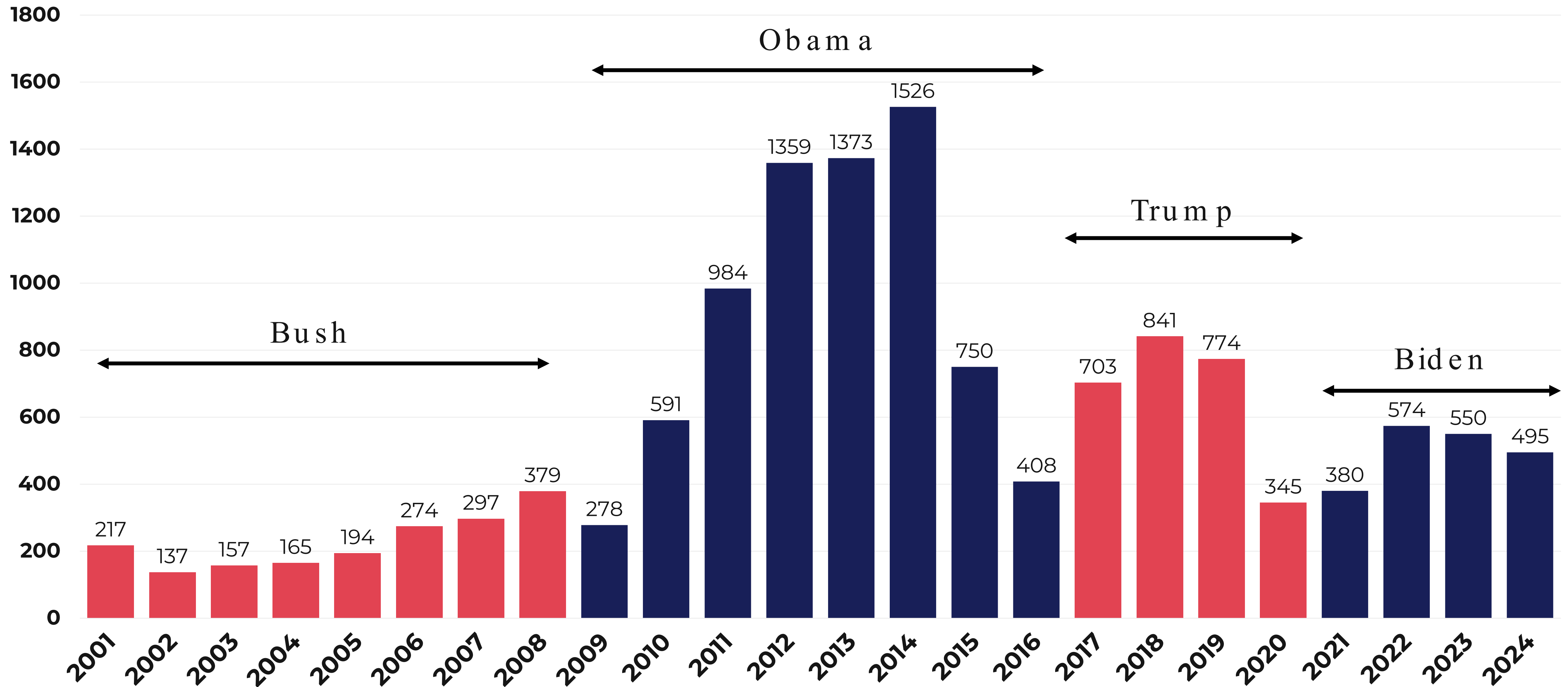


# Average Gasoline Price by President





# Average Oil Rig Count 2001-Present



# BECOME A MEMBER TODAY!

Enjoy the benefits of becoming a member of the Louisiana Oil & Gas Association

## MEMBERSHIP LEVELS

**Regular \$1,000 = 2 Member Reps**

**\*Wildcatter \$2,500 = 5 Member Reps**

**\*Corporate \$5,000 = 8 Member Reps**

**\*Platinum \$7,500 = 15 Member Reps**

**\*Double Platinum \$12,500 = 30 Member Reps**

**\*Triple Platinum \$17,500 = 50 Member Reps**

**Diamond \$20,000+ = 100 Member Reps**

As a member of the Louisiana Oil & Gas Association (LOGA), you will join with our membership of over **1100** independent producers and service companies who have stepped forward to support Louisiana's oil & gas industry and actively promote their own business interests. **LOGA is a working organization, working for you.** LOGA's achievements help the entire oil and gas industry in Louisiana – not just our membership. LOGA is your advocate in the state of Louisiana, The Energy State!

In past years being involved in the political process was not a necessity for a business. Other than issues on taxes and occupational licenses, business was not affected by state and federal governments. Today, as you are well aware, business is being regulated out of doing business. This is a reality. You can no longer take the position that someone else will handle the problem, or that your state and congressional representative will protect your interest.

LOGA was organized to represent the independent and service sectors of the oil and gas industry in Louisiana. Our primary goal is to provide our industry with a working environment that will enhance it by creating incentives, warding off tax increases, changing existing, burdensome regulations and educating the public and government of the importance of the oil and gas industry. LOGA confronts and deals directly with the many issues that are causing harm to Louisiana's oil & gas industry.

**Our mission: Advocate. Educate. Connect. Protect. Engage.†**

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A large offshore oil rig is illuminated at night, with its lights reflecting on the dark blue ocean. A smaller support vessel is visible to the left. The sky is a mix of deep blue and orange from the setting or rising sun.

Questions?

[www.loga.la](http://www.loga.la)

 **LOGA**  
LOUISIANA OIL & GAS ASSOCIATION

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