



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

**TO:** State Mineral Board Members

**FROM:** Rachel Newman, CPA  
Audit Director  
Mineral Income Division 

**DATE:** November 14, 2012

**Audit Committee Meeting Agenda**

A meeting of the Audit Committee of the State Mineral and Energy Board will be held on Wednesday, November 14, 2012, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana.

Items on the agenda are as follows:

1. A recoupment request from Apache Corporation for an overpayment in the amount of \$133,485.71. The state lease number involved is 17754. For the sales months of April and September 2008, Apache Corporation paid gas royalties based on incorrect volumes and values.
2. A recoupment request from Clayton Williams Energy, Inc. for an overpayment in the amount of \$37,080.83. The state lease numbers involved are 17376 and 17378. For the sales month of June 2012, Clayton Williams Energy, Inc. neglected to deduct severance tax resulting in an overpayment of royalty.
3. A penalty waiver request from Dimension Energy Co. for a penalty in the amount of \$21,666.09 which was billed for audit exceptions. The field audit of Dimension Energy Co. for the period of January 2006 through December 2010 began on July 11, 2011. Total royalty collected for the audit period is \$2,107,922.39. Dimension Energy Co. paid the state a total of \$75,191.67 in royalty exceptions and \$16,308.11 in interest charges.
4. A penalty waiver request from Key Operating & Production Co., LLC for a penalty in the amount of \$48,303.75 which was billed for audit exceptions. The field audit of Key Operating & Production Co., LLC for the period of April 2004 through October 2011 began on January 17, 2007. Total royalty collected for the audit period is \$4,917,920.92. Key Operating & Production Company paid the state a total of \$147,976.09 in royalty exceptions and \$55,840.22 in interest charges.

5. A request to place Yuma Exploration and Production Company, Inc. on demand for unpaid oil and gas royalties which were the result of a field audit.
6. Staff report on ATP Oil & Gas Corporation bankruptcy.
7. Staff report to the committee that the election for November 2012 gas royalty is to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

The Committee may discuss matters it desires pursuant to R.S. 42:7(A)(1)(b)(ii) as well as Executive Session matters pursuant to R.S. 42:6.1(A)(2) and R.S. 42:6.1(A)(6).