



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 *RN*
Audit Director
Mineral Income Division

DATE: May 8, 2013

Audit Committee Meeting Agenda

A meeting of the Audit Committee of the State Mineral and Energy Board will be held on Wednesday, May 8, 2013, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, and LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana.

Items on the agenda are as follows:

1. A penalty waiver request from Apache Corporation for a penalty in the amount of \$35,363.89 which was billed for the late payment of royalty. Apache Corporation paid the state a total of \$288,829.04 in late royalty for the disposition dates of January 2008 through March 2012. The payment was received on May 25, 2012. This payment was not related to a field audit. Apache Corporation paid \$8,684.73 in interest charges on August 1, 2012.
2. A penalty waiver request from Apache Corporation for a penalty in the amount of \$99,794.07 which was billed for late payment of royalty. Apache Corporation paid the state a total of \$278,945.59 in late royalty for the disposition dates of January 2003 through September 2012. The payment was received on November 25, 2012. This payment was not related to a field audit. Apache Corporation was billed and paid \$109,638.34 in interest charges on February 14, 2013.
3. A penalty waiver request from Tammany Oil & Gas LLC for a penalty in the amount of \$20,001.08 which was billed for audit exceptions. The field audit of Tammany Oil & Gas LLC for the period of June 2003 through December 2010 began on May 14, 2012. Total royalty collected for the audit period is \$4,716,919.90. Tammany Oil and Gas LLC paid the state a total of \$55,766.99 in royalty exceptions and \$28,662.73 in interest charges.

4. A request to grant Chesapeake Operating a second 90 day extension from May 1, 2013, for a payment made under protest as the result of a field audit.
5. Staff report to the committee that the election for May 2013 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).