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STEPHEN CHUSTZ
SECRETARY

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: September 11, 2013

Audit Committee Meeting Agenda

A meeting of the Audit Committee of the State Mineral and Energy Board will be held on Wednesday, September 11, 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 Hilcorp Energy Company for a penalty in the amount of \$162,773.37 which was billed for audit exceptions. The field audit of Hilcorp Energy Company for the period of January 2001 through December 2003 began on August 30, 2004. Total royalty collected for the audit period is \$18,019,676.13. Hilcorp Energy Company paid the state a total of \$582,022.49 in royalty exceptions and \$157,339.42 in interest charges.
2. A request to grant Chesapeake Operating an extension from August 1, 2013 until resolution of the current regular open audit, for a payment made under protest as the result of a limited scope field audit.
3. Staff report to the committee that the election for September 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).