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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: January 8, 2014

Audit Committee Meeting Agenda

A meeting of the Audit Committee of the State Mineral and Energy Board will be held on Wednesday, January 8, 2014, 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 JGC Energy Development, Inc. for a penalty in the amount of $87,506.14 which was billed for audit exceptions. The field audit of JGC Energy Development, Inc. for the period of August 2007 through December 2010 began on October 24, 2011. Total royalty collected for the audit period is $14,861,663.94. JGC Energy Development, Inc. paid the state a total of $544,177.04 in royalty exceptions and $41,660.18 in interest charges.

2. Staff report to the committee that the election for January 2014 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.

3. A discussion in executive session of potential settlement in the Goldking Operating Co., Inc. audit.

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).

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