

JOHN BEL EDWARDS
GOVERNOR



THOMAS F. HARRIS
SECRETARY

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

TO: State Mineral and Energy Board Members

FROM: Rachel Newman, CPA 
Audit Director
Mineral Income Division

DATE: December 14, 2016

Audit Report

As of November 30, 2016, field audit collections totaled \$729,651.40 which includes \$471,723.07 in royalty exceptions, \$54,148.81 in interest and \$203,779.52 in penalties. During the month of November, one new audit was engaged and two audits were closed. The current number of open royalty audits is 63.

Royalties collected in November 2016 totaled \$17,067,792.13. Fiscal Year to Date Royalty collections totaled \$89,953,047.81 as compared to last year's Fiscal Year to Date Royalties of \$114,573,530.89 as of November 30, 2015.

Monthly state royalty reports submitted in November totaled 339 which include 119 SR1s for oil, 169 SR2s for gas and 51 SR5s for plant products.

Items on the agenda are as follows:

1. Staff report to the Board that the election for November 2016 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.
2. A discussion on penalty waiver protocol as requested by the Board at the November 9, 2016 SMEB meeting.