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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: October 14, 2020

**AUDIT REPORT**

As of September 30, 2020, field audit collections totaled \$748,972.12, which includes \$707,152.76 in royalty exceptions and \$41,819.36 in interest. During the month of September 2020, 4 audits were engaged and 3 audits were closed. The current number of open royalty audits is 60.

Royalties collected in September 2020 and Fiscal Year to Date totaled \$18,554,70.76, as compared to last year's Fiscal Year to Date Royalties of \$46,477,413.83 as of September 30, 2019.

Monthly state royalty reports submitted in September totaled 253, which include 80 SR1s for oil, 143 SR2s for gas, and 30 SR5s for plant products.

Items on the report are as follows:

1. A penalty waiver request from Helis Oil & Gas Company for a penalty in the amount of \$48,948.68, which was billed, for audit exceptions.
2. Staff report to the Board that the election for October 2020 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.