

**CRITERIA FOR WAIVER OF LIQUIDATED DAMAGES FOR
THE LATE RELEASE OF A STATE MINERAL LEASE**

- A. FIRST INFRACTION: Complete waiver of the entire assessment.
- B. SUBSEQUENT INFRACTIONS: Determine the percentage of total acreage that was released late.

$$\frac{\text{Amount of acreage released late}}{\text{Total leased acreage}} = X$$

Multiply that amount by the liquidated damage assessment or the original lease bonus amount, whichever is less, to reduce further.

- C. The Mineral Board may waive the entirety or a further portion of the liquidated damage assessment for cause, or, if the circumstances of the late release demonstrate misconduct or bad faith, the Board may determine that no reduction of the assessment is warranted. In making a determination, the board will consider, among other factors, the following:
 - 1) The number of prior appearances before the board requesting waivers.
 - 2) The number of days late before release recordation.
 - 3) Present leasing activity in the area.
 - 4) The severity/conditions of the request.