

RESOLUTION

LOUISIANA STATE MINERAL AND ENERGY BOARD

RESOLUTION #15-08-012 (AUDIT COMMITTEE)

WHEREAS, pursuant to La. R.S. 30:124, the State Mineral and Energy Board (Board) is authorized to lease for the development and production of minerals lands belonging to the State of Louisiana (State) or the title to which is in the public trust; and

WHEREAS, pursuant to La. R.S. 30:136.A(1)(a), all bonuses, rentals, royalties, shut-in payments and other such sums payable to the State for mineral leases upon state-owned lands shall be paid to the Office of Mineral Resources (OMR); and

WHEREAS, pursuant to La. R.S. 30:136.A(1)(b), the Board is required to determine whether such payments are correct, sufficient and timely made; and

WHEREAS, La. R.S. 30:136.A(2) recognizes that overpayments and underpayments of royalties on state-owned lands will occur; and

WHEREAS, La. R.S. 30:135 requires that OMR provide the necessary staff functions to assist the Board in its leasing, supervisory and related activities; and

WHEREAS, pursuant to the foregoing statutory mandate, OMR Staff expends considerable time, effort and industry reviewing, researching and processing requests for reimbursement of overpayments of royalties; and

WHEREAS, pursuant to La. R.S. 30:136.A(2), the Board is authorized to promulgate rules in accordance with the Administrative Procedure Act to assess fees to recoup the costs incurred by OMR for processing such requests; and

WHEREAS, by Resolution dated December 12, 1990, pursuant to this statutory authority, the Board approved assessing to Payors a fee of Thirty-Five (\$35.00) Dollars per hour to recoup the costs incurred by OMR for processing such requests; and

WHEREAS, given the passage of time, OMR Staff has determined that this hourly rate is inadequate and insufficient to reimburse OMR for the comprehensive services rendered in processing such requests; and

WHEREAS, having thoroughly researched this matter, OMR Staff recommends that the Resolution dated December 12, 1990 be rescinded, and that a fee of Sixty-Five

(\$65.00) Dollars per hour be assessed to Payors to recoup the costs incurred by OMR for processing requests for reimbursement of overpayments of royalties.

ON MOTION of Mr. Segura, seconded by Mr. Sanders, after discussion and careful consideration, the foregoing OMR Staff recommendation was offered and unanimously accepted by the Audit Committee.

WHEREAS, in response to the foregoing OMR Staff recommendation and action of the Audit Committee;


ON MOTION of Mr. Segura, seconded by Mr. Sanders, the following Resolution was offered and unanimously adopted by the Board:

NOW THEREFORE, BE IT RESOLVED:

- 1) That the Resolution dated December 12, 1990 be and is hereby rescinded;
- 2) That a recoupment fee of Sixty-Five (\$65.00) Dollars per hour for services rendered by OMR for processing requests for reimbursement of overpayments is fair, reasonable and appropriate;
- 3) That OMR Staff is directed to initiate the process necessary to adopt rules in accordance with the Administrative Procedure Act to assess a recoupment fee in this amount; and
- 4) That upon satisfaction of all requirements under the Administrative Procedure Act, OMR Staff is directed to commence assessing to Payors a fee of Sixty-Five (\$65.00) Dollars per hour to recoup the costs incurred by OMR for processing requests for reimbursement of overpayments of royalties.

CERTIFICATE

I HEREBY CERTIFY that the above is a true and correct copy of a Resolution adopted at a meeting on the 12th day of August 2015 of the State Mineral and Energy Board in the City of Baton Rouge, State of Louisiana, pursuant to due notice and in compliance with law, at which meeting a quorum was present, and that said Resolution is duly entered in the Minute Books of the Board and is now in full force and effect.


Victor M. Vaughn, Executive Officer
State Mineral and Energy Board

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(Audit Committee)