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GOVERNOR



**SCOTT A. ANGELLE**  
SECRETARY

**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:** August 10, 2011

**Audit Committee Meeting Agenda**

A meeting of the Audit Committee of the State Mineral and Energy Board will be held on Wednesday, August 10, 2011, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana.

Items on the agenda are as follows:

1. A penalty waiver request from Swift Energy Operating, LLC for a penalty in the amount of \$75,433.01 which was billed for late payment of royalty. Swift Energy Operating, LLC paid the state a total of \$285,831.31 in late royalty for the disposition dates of June 2008 through February 2010. The payment was received on January 25, 2011. This payment was not related to a field audit. Swift Energy Operating, LLC was billed and paid \$33,239.65 in interest charges on July 12, 2011.
2. A penalty waiver request from Swift Energy Operating, LLC for a penalty in the amount of \$254,685.33 which was billed for late payment of royalty. Swift Energy Operating, LLC paid the state a total of \$778,798.03 in late royalty for the disposition dates of January 2005 through December 2006. The payment was received on June 6, 2011. This payment was not related to a field audit. Swift Energy Operating, LLC was billed and paid \$296,611.80 in interest charges on June 28, 2011.
3. Staff report to the committee that the election for August 2011 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.

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).