



DEPARTMENT OF CONSERVATION AND ENERGY

TO: STATE MINERAL AND ENERGY BOARD MEMBERS

FROM: TALETHA SHORTER
AUDIT DIRECTOR
OFFICE OF STATE RESOURCES

DATE: FEBRUARY 11, 2026

AUDIT REPORT

I. INCOME MONTHLY STATISTICS

As of January 31, 2026, field audit collections totaled \$3,852,834.21, which includes \$3,613,196.57 in royalty collections and \$239,637.64 in interest. In the month of January, one audit was closed. The current number of open royalty audits is 36.

Royalties collected in January 2026 totaled \$10,604,315.32 and Fiscal Year to Date \$79,138,362.38, as compared to last year's Fiscal Year to Date Royalties of \$76,287,831.92 as of January 31, 2025.

Monthly state royalty reports submitted in January totaled 209 which include 66 SR1s for oil, 125 SR2s for gas and 18 SR5s for plant products.

II. CURRENT DELINQUENT PAYORS

We have no items on Current Delinquent Payors to discuss on today.

III. BOARD REVIEW ITEMS

1. Overview of Field Audit Penalty Waiver Protocol.
2. Update on open field audits.
3. Staff report to the Board that the election for February 2026 gas royalty is to be paid on an unprocessed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.