

APR 2 5 1966

JOHN F. DAVIS, CLERK

No. 9, ORIGINAL

**In the
Supreme Court of the United States**

OCTOBER TERM, 1965

UNITED STATES OF AMERICA,

Plaintiff,

v.

STATE OF LOUISIANA, ET AL,

Defendant.

**MOTION FOR LEAVE TO FILE CORRECTIONS
TO THE ACCOUNTING FILED BY THE
STATE OF LOUISIANA ON
FEBRUARY 25, 1966**

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**MOTION FOR LEAVE TO FILE CORRECTIONS
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STATE OF LOUISIANA ON
FEBRUARY 25, 1966**

The State of Louisiana having filed its accounting hereunder on February 25, 1966, pursuant to Supplemental Decree No. 1 of December 13, 1965, Paragraph 7, and certain errors having been discovered in its accounts and in the accounting of the United States, which errors have been reconciled in consultations between counsel for both parties, respectfully moves the Court for leave to file amendments and corrections to Louisiana's accounting as follows:

1.

An Amended Exhibit A is filed to show a total of \$84,766.69 instead of \$82,314.87 as the amount Louisiana recognizes for inclusion in determining the net balance as provided in Paragraph 8 of the Decree, subject to the comments made in Paragraph 1 of

Louisiana's original accounting. The changes necessary in arriving at the corrected total are reflected in the revised and amended Exhibit A in the figures reported for State Leases Numbered 3771, 3772 and 3773.

2.

Minor corrections to Exhibit B are required with reference to State Leases Numbered 1550, 1516, 1662, 1102 and 1262, resulting in an adjustment to the figure of \$430,549.76 instead of \$430,370.54 as the proper total to be included in determining the net balance as provided by Paragraph 8 of the Decree and as referred to in Paragraph 2 of Louisiana's original accounting. These corrections are set forth in Exhibit 2 annexed entitled: "Amendments to 'Exhibit B' of the Accounting of the State of Louisiana Pursuant to the United States Supreme Court Supplemental Decree Rendered December 13, 1965."

3.

Exhibit E of the State's accounting erroneously included State Lease No. 1262 (OCS No. 373) located in Main Pass, Block 40, with the amount of \$1404.00 shown as applicable to the area described in Paragraph No. 1 of Supplemental Decree No. 1. This schedule should be corrected to omit this item and the total should be changed to \$72,400.00. This amount represents dual payments and is subject to the comment made in Paragraph 5 of Louisiana's original accounting.

4.

Included in the amounts accounted for or paid to Louisiana by the United States was the sum of \$16,859.94 representing payments made by Texaco, Inc. for gas royalties to comply with the conditions and requirements of the United States for validation of Louisiana State Lease No. 340 (OCS 0310). Under the terms of the State lease, Texaco, Inc. has the right to use gas produced from its lease in its operations free of royalty. As the Supplemental Decree of December 13, 1965, recognizes the rights of Louisiana to be superior to the claims of the United States with respect to the area described in Paragraph 3 of the Decree, and as the amount of royalties aforesaid are attributable to areas conceded to belong to Louisiana, reimbursement to the lessee, Texaco, Inc., of the amount of \$16,859.94 has been made by Louisiana because these royalties were not due under the terms and provisions of the subject lease. This item is referred to for completeness in the statement of Louisiana's accounting although it does not affect any net balance under Paragraph 8 of the Decree.

5.

The United States has informed Louisiana that Louisiana may advise the Court that the United States has no objection to the filing of this Amended Accounting and Louisiana has agreed to advise the Court that Louisiana has no objection to the filing by the United States of an Amended Accounting to correct its own errors. Neither party is to be understood as agreeing

to the correctness of the items, whether amended or unamended, in the accounts of the other party, or as waiving any right it may have to object to such account, as so amended, or any part thereof, under the Supplemental Decree of December 13, 1965.

Louisiana accordingly prays leave to file this Amended Accounting.

Respectfully submitted,

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2201 State Capitol,
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JOHN L. MADDEN,
Assistant Attorney General,
State of Louisiana.

PROOF OF SERVICE

The undersigned, being one of the attorneys for the State of Louisiana, defendant herein, certifies that copies of the foregoing amended accounting have been properly served on the____day of April 1966, by leaving copies thereof at the offices of the Attorney General and of the Solicitor General of the United States, respectively, in the Department of Justice Building, Washington, D.C.

ORDER

Let this Motion and the Amended Accounting be filed as prayed for.

AMENDED EXHIBIT A

Sums Received From Lands In The Zone I Area As Described In The Interim Agreement of October 12, 1956, Subsequent To June 5, 1950.

Area Described in Paragraph 1 of The U. S. Supreme Court Supplemental Decree Rendered December 13, 1965

State Lease No.	Area	Block	Bonus	Subsequent Payment	Percent	Bonus	Subsequent Payment	Royalty	Total
3771	Main Pass	6	\$526,320.00	\$14,688.00 ³	1.64	\$ 8,631.65	\$ 240.80 ³	\$	\$ 8,872.45
3772 ⁵	Main Pass	91	29,415.00	44,122.50 ¹	31.22	9,183.36	13,775.04	. . . .	22,958.40
3773	Main Pass	6	441,192.00	7,116.00 ⁴	8.13	35,868.91	578.53 ⁴	35.34 ²	36,482.78
4595	Chandeleur	16	256,678.00	. . . . .	6.41	16,453.06	. . . . .	. . . .	16,453.06
			TOTAL	\$70,136.98			\$14,594.37	\$35.34	\$84,766.69

¹State oil and gas leases require a bonus. The lessee acquires the right to commence actual drilling within twelve (12) months. The leases in effect contain an option to defer the drilling by another twelve (12) months by paying a sum equal to half of the first consideration or bonus. Such subsequent payments are often called "delay rentals."

²The amount as shown represents the calculation of royalty based on a gross value and would therefore include sums received by the State as royalty and severance tax.

³The amounts as shown represent payments for six (6) semi-annual periods, based on \$1.00 per acre per period, made at lessee's option to maintain the lease during which time capable gas wells were shut-in due to a lack of market.

⁴The amounts as shown represent payments for three (3) semi-annual periods based on \$1.00 per acre per period, made at lessee's option to maintain the lease during which capable gas wells were shut-in due to a lack of market.

⁵State Lease 3772 expired March 26, 1965.

EXHIBIT 2

AMENDMENTS TO "EXHIBIT B" OF THE ACCOUNTING OF THE STATE OF LOUISIANA PURSUANT TO THE UNITED STATES SUPREME COURT SUPPLEMENTAL DECREE RENDERED DECEMBER 13, 1965

Lease Number		Location		Block	Period Covered	Total Received		Payments Subsequent to Bonus		Applicable to Area Described in Paragraph 1 of Decree
State	OCS	Area				Payments Subsequent to Bonus	Per cent	Subsequent to Bonus	Difference	
1550	015	S. Timbalier As Reported	Should Have Been Reported	53	7/17/50 to 7/17/51	\$20,130.00	54.87	\$ 11,045.33		
							55.28	11,127.86	\$	82.53
1516	255	South Pelto As Reported	Should Have Been Reported	23	8/11/50 to 8/11/51	7,500.00	84.51	6,338.25		
							100.00	7,500.00		1,161.75
1662	229	Eugene Island As Reported	Should Have Been Reported	90	11/19/50 to 11/19/51	7,750.00	.65	50.38		
							.....	.....		-50.38
1102	...	Vermilion As Reported	Should Have Been Reported	65	6/19/50 to 6/19/51	5,550.00	19.70	1,093.35		
							9.85	546.67		-546.67
1262	373	Main Pass As Reported		40	8/05/50 to 8/05/51	3,750.00	12.48	468.00		
								-468.00
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Total		As Reported	Should Have Been Reported					\$430,370.54	\$	179.22
								\$430,549.76		

