

30. AUTHORIZATION FOR REFUND OF MONIES PAID UNDER PROTEST BY OIL COMPANIES RELATIVE TO THE CASE OF PEOPLE VS. SIMON, ET AL., NO. CV 74-661-JWC - W 503.766.

Mr. R. S. Golden, Assistant Executive Officer, State Lands Division, explained that at the special meeting of the State Lands Commission on July 30, 1974, the Commission directed the staff to:

1. come back with a program to dispose of the protest amounts in the accounts at that time; and
2. check with the oil companies who had paid these amounts into the protest accounts as to whether they wished a refund at this point or whether they wished to keep the money in the account until final action is taken by the Supreme Court.

Mr. Golden indicated that the staff had done so, and the oil companies indicated that they would like a refund. In checking with the oil companies, the staff informed them that they might get the interest rate pertaining to what the State has earned on their money during this period, but with the understanding that if the State is subsequently successful in its appeal of the Temporary Court of Appeals decision, the oil companies would pay that interest rate plus any other interest rate received during the additional period of time. Mr. Golden explained that the recommendation before the Commission established a working program so that the Division and the industry people can reach an agreement on the amounts which are to be refunded. Mr. Golden estimated that that refunded amount could be a little over half of the \$2½ million paid under protest.

Mr. Kirk West, Chief Deputy Controller, alternate for Houston I. Flournoy, Chairman, asked for a probable date when the Supreme Court would hear the case. Warren J. Abbott, Deputy Attorney General, advised that the writ of certiorari had been filed. If the Court rejects it, the case will be over. If the Court takes it, the decision should be reached in the late fall.

Upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE REFUND OF AMOUNTS TO THE VARIOUS OIL COMPANIES WHO HAVE PAID UNDER PROTEST, SUBJECT TO THE FOLLOWING CONDITIONS:

1. THAT AGREEMENT HAS BEEN REACHED BETWEEN THE COMPANY REPRESENTATIVES AND DIVISION PERSONNEL ON THE AMOUNTS TO BE REFUNDED TO THE COMPANY AND THE AMOUNTS TO BE RELEASED TO THE STATE TREASURY.
2. THAT COMPANY AGREES IN WRITING THAT BY VIRTUE OF THE STATE REFUNDING AT THIS TIME THE IMPOUNDED FUNDS, PLUS SUCH INTEREST AS HAS BEEN RECEIVED BY THE STATE THEREON, THAT SHOULD THE FINAL OUTCOME OF THE COURT CASE, PEOPLE VS. WILLIAM SIMON, ET AL., BE DECIDED IN THE STATE'S FAVOR THAT SAID OIL COMPANY SHALL REPAY THE TOTAL AMOUNT REFUNDED, INCLUDING INTEREST, AND SHALL FURTHERMORE PAY SUCH ADDITIONAL AMOUNTS AS MAY BE DUE BY THAT COURT DECISION, PLUS LEGAL INTEREST ACCRUED ON SUCH ADDITIONAL AMOUNTS.