

Summary: Investigation of Diverted Gas Production and Underpayment of Royalties

Report Date: September 10, 2014

During a site security inspection, a Bureau of Land Management (BLM) inspector discovered that a production operator was allegedly fueling one of its workforce facilities with gas produced from a Federal lease. The initial information presented to the OIG suggested that the operator diverted produced gas and then claimed a beneficial use deduction from royalty obligations when reporting to the Office of Natural Resource Revenue.

Our investigation determined that the allegation was unsubstantiated. We did not uncover any information to indicate that gas was underreported or that royalties were underpaid.

This is a summary of an investigative report that was issued internally to the U.S. Department of the Interior. This summary was posted to the web on October 28, 2015.

