

Summary: Sanco Operating/Sanders Oil and Gas Company Agreed to Pay Federal Royalties Owed to BLM

Report Date: May 10, 2018

Report Number: 16-0865

The OIG investigated allegations that Sanco Operating/Sanders Oil and Gas (Sanco) failed to report gas production and underreported gas sales from a Federal mineral lease, which resulted in a loss of royalties owed to the Government.

We conducted a joint investigation with the Bureau of Land Management's (BLM) Special Investigations Group and found that Sanco stopped paying Federal royalties to the Office of Natural Resources Revenue (ONRR) in 2010 and failed to report gas production from August 2010 through December 2016. In February 2018, Sanco agreed to settle this matter and entered into an agreement with the United States Attorney's Office, District of Colorado, in the amount of \$130,752 for unpaid royalties.

This is a summary of a report of investigation that was issued to the Director of ONRR and the Deputy Director of the BLM.

