

Summary: Investigation of Alleged Oil Inventory Reporting Irregularities

Report Date: October 7, 2016

OIG investigated allegations that two oil and gas companies failed to perform monthly oil production inventories as prescribed in Bureau of Land Management (BLM) regulations, which may have also resulted in an underpayment of Federal mineral royalties.

We found no evidence that the two companies failed to conduct oil production inventories as alleged. Furthermore, BLM officials explained that a failure to conduct an end of month inventory would not impact Federal mineral royalties, because oil production inventories are conducted at the time oil is sold.

This is a summary of a report of investigation that we issued to BLM for information.

