

Summary: Oil Producers Pay \$1.7 Million for Trespass on Federal Railroad Right-of-Way in Colorado

Report Date: December 15, 2020

Report Number: 17-0139

The OIG investigated allegations that Extraction Oil and Gas (EXT) drilled multiple horizontal wellbores through a railroad right-of-way (ROW) in Weld County, CO, containing Federal minerals without first obtaining a Federal lease or drilling permit.

We found that three companies (EXT, Mineral Resources, Inc., and PDC Energy, Inc.) illegally drilled oil wells through a railroad ROW and produced unleased Federal minerals. Based on our investigation, the U.S. Attorney's Office for the District of Colorado entered into civil settlement agreements with all three companies to resolve the violations and recover public revenues. The settlements totaled more than \$1,787,000.

This is a summary of an investigative report we issued to the Directors of the Bureau of Land Management and the Office of Natural Resources Revenue.

