

Summary: Investigation of Alleged Theft of Oil Condensate from BLM Leased Unit in Wyoming

Report Date: December 31, 2015

OIG investigated allegations that a Bureau of Land Management (BLM) inspection revealed that a lease operator had removed oil condensate from a natural gas stream and sold it without proper volume reporting or payment of Federal royalties to the Office of Natural Resources Revenue (ONRR).

We determined that from July 2008, through September 2014, the lease operator did not submit reports to ONRR documenting the removal. The volume of oil condensate sold during that period totaled approximately 3,662 barrels, and after the lease operator became aware of the unreported oil condensate, the company adjusted Oil and Gas Operations Reports and Reports of Sales and Royalty Remittance they had previously submitted to ONRR. The net result of the reporting adjustment increased the company's royalty bearing oil condensate volumes by 3,656 barrels.

This is a summary of an investigative report that was issued to ONRR and BLM for any action deemed appropriate.

