

Summary: Oil and Gas Company Committed Mineral Trespass Violations

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The OIG investigated SRC Energy's self-reported disclosure that it drilled wells through a railroad right-of-way without obtaining a Federal lease or permit to drill. SRC, an oil and gas company based in Colorado, reported its activities to the Bureau of Land Management (BLM), which referred the matter to our office for investigation.

We determined that in 2014, SRC committed mineral trespass violations when it knowingly drilled two horizontal wells in Colorado and produced Federal minerals without a properly executed mineral lease, resulting in a loss of public revenue. On April 2, 2019, SRC signed a settlement agreement with the U.S. Department of Justice, agreeing to pay \$723,236 to resolve the mineral trespass allegations.

This is a summary of an investigative report we issued to the Principal Deputy Assistant Secretary of Land and Minerals Management.

