

Summary: Misreporting of Royalty Information Results in Civil Settlement

Report Date: January 26, 2018

OIG investigated allegations that Citation Oil & Gas Corporation (Citation) misreported mineral royalty data to the Office of Natural Resources Revenue (ONRR) and underpaid Federal royalties associated with the production of coalbed methane gas from Federal wells located in Wyoming.

We determined that for the period January 2006 through December 2015, Citation deducted transportation costs and field fuel volumes inconsistent with marketable condition rules when it calculated and reported royalties to ONRR.

In December 2017, Citation entered into a settlement agreement with the U.S. Department of Justice, and agreed to pay \$2,250,000 to resolve the civil false claims and related matters pending before the Interior Board of Land Appeals.

This is a summary of a report of investigation issued to the ONRR Director.

