

Summary: Investigation of Improper Production Measurement and Underpayment of Royalties

Report Date: April 13, 2016

A southern Colorado Indian tribe suspected that an oil and gas production company breached the terms of a 2010 settlement agreement with the tribe by improperly measuring gas production associated with tribal mineral leases. The tribe suspected that the company operating the leases used an unauthorized facility measurement point resulting in underpaid royalties to the tribe.

We found the company complied with the 2010 settlement agreement and properly measured and valued gas production. We provided the Office of Natural Resources Revenues (ONRR) and the tribe with our findings and the tribe coordinated with the company to resolve issues concerning the company's measurement and valuation methodology.

The United States Attorney's Office, District of Colorado, Civil Division, declined to accept this case for civil litigation.

This is a summary of that investigative report that was issued to the Bureau of Land Management and ONRR.

