

Summary: Investigation Uncovers Unpaid Federal Royalties

Report Date: April 5, 2019

Report Number: 18-0605

The OIG investigated allegations that a gas producer operating in New Mexico failed to properly submit royalty reports and remit royalty payments owed to the Office of Natural Resources Revenue (ONRR).

We determined the producer failed to properly file ONRR-Form 2014s (Reports of Sales and Royalty Remittance) and pay royalties for gas produced from Federal leases located in New Mexico. Working closely with ONRR experts, we determined that the unpaid royalties totaled more than \$51,000 plus late payment interest.

We consulted with both ONRR and the United States Attorney's Office for the District of New Mexico. The producer cooperated with the investigation and ONRR officials determined they would pursue the unpaid royalties through their administrative process.

This is a summary of an investigative report we issued to ONRR.

