

Summary: Unsubstantiated Allegations of Royalty Fraud

Report Date: April 21, 2020

Case Number: 18-0758

We investigated allegations that a gas company underpriced carbon dioxide (CO₂) produced from Federal leases and deducted unallowable costs from its CO₂ production that resulted in a potential loss of Federal royalties.

We did not substantiate the allegations. We found the company's pricing used to calculate royalty payments associated with the sale of CO₂ was comparable to competitors. We also found the company's transportation allowances deducted during Federal royalty calculations complied with the Government's permitted threshold.

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

