

# Summary: Underreporting of Gas Production

**Report Date: June 16, 2023**

**Report Number: 21-0510**

The U.S. Department of the Interior Office of Inspector General investigated allegations that an oil and gas production company bypassed the approved Facility measurement point (FMP), submitted false mineral production reports to the Office of Natural Resources Revenue (ONRR), and underreported its gas production from Federal wells to ONRR. As a Federal lease holder, the company is required to follow oil and gas regulations to properly account for its gas production using an approved measurement device at the FMP.

We did not find that the company bypassed the FMP as alleged, but we found discrepancies between the volume of gas the company sold to its mineral purchaser and the volume of gas the company reported to ONRR for royalty payment purposes. Our analysis estimated that the company owes ONRR approximately \$9,000 to \$11,000 for unpaid Federal gas royalties.

This is a summary of an investigative report we issued to the ONRR Director and the Bureau of Land Management Director.

