

**DEPARTMENT OF JUSTICE  
NEWS RELEASE**

John F. Walsh  
United States Attorney, District of Colorado

*For Immediate Release*  
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**UNITED STATES ATTORNEY'S OFFICE FOR THE DISTRICT OF COLORADO  
RECOVERS OVER \$66,000 RESOLVING ALLEGATIONS THAT SLAWSON  
EXPLORATION COMPANY VIOLATED THE FALSE CLAIMS ACT**

DENVER -- John Walsh, United States Attorney for the District of Colorado, today announced the recovery of more than \$66,000 to settle allegations that Slawson Exploration Company violated the Federal False Claims Act by failing to properly value gas produced from Indian leases and pay royalties to the Department of the Interior's Office of Natural Resources Revenue ("ONRR").

Slawson is a privately held oil and gas exploration company headquartered in Wichita, Kansas. In 2011, Slawson was the lessee for seven leases located on the Fort Berthold Indian Reservation in North Dakota and one lease located on the Fort Peck Indian Reservation in Montana ("the Leases"). As a lessee of these Indian leases, Slawson is required to comply with regulations mandating proper valuation and pricing when calculating and paying royalties to ONRR on any gas removed from these leases. This matter was handled by the Colorado U.S. Attorney's Office because all energy companies that have a federal or Indian lease from which they obtain oil and gas resources are required to submit reports of their production and corresponding royalty payments to ONRR in Lakewood, Colorado.

ONRR acts as a trustee for royalty payments owed to Indian tribal and individual leaseholders. After receiving the royalty payments from lessees like Slawson, ONRR verifies that the payments are correct and then passes these monies on for distribution to the Indian leaseholders.

According to the Settlement, the United States contends that Slawson knowingly failed to properly adjust the value of gas production on the Leases in 2011, and thus, underreported royalties to ONRR. The United States alleges that Slawson has a history of underpaying royalties on the Leases, and had been penalized by ONRR in the past for failing to properly report and pay royalties. Slawson denies the allegations.

"When gas companies tell the federal government what they owe for the natural resources taken from Indian lands, they need to understand that 'close enough' is not 'good enough,'" said U.S. Attorney, John Walsh. "We stand ready with our law enforcement partners to hold these companies accountable when they don't tell the whole truth about what they are required to pay the government."

“The Office of the Inspector General for the Department of the Interior continues to support ONRR and the Department of Justice in recovering oil and gas royalties owed to Indian mineral owners,” said Matthew Elliott, Deputy Inspector General for Investigations at the Office of the Inspector General. “This settlement should stand as a reminder that our Energy Investigations Unit is poised to respond when Indian mineral interests are compromised or ignored.”

“A company's timely and accurate submission of royalty reports and payments is essential,” said Greg Gould, Director of the Office of Natural Resources Revenue. “To ensure that we collect every dollar due, ONRR will continue to insist that companies report and pay the proper royalties for these American Indian assets.”

The United States Attorney’s Office acknowledges the cooperation and teamwork demonstrated by governmental entities involved in today’s recovery. Special thanks are extended to both the Office of Natural Resources Revenue and the Energy Investigations Unit of the Department of the Interior’s Office of Inspector General. The United States Attorney’s Office in Denver, Colorado works closely with both of these offices in the pursuit of unpaid or underpaid oil and natural gas revenue, claims for which are processed at the Office of Natural Resources Revenue at the Federal Center in Lakewood.

Assistant U.S. Attorney Amanda Rocque handled the matter on behalf of the United States.

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