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Interior's ONRR collects \$136,000 civil penalty for knowing failure to permit an audit

DENVER — The Department of the Interior's Office of Natural Resources Revenue (ONRR) announced today it collected a \$136,000 civil penalty from Energy Resources Technology, Inc., for knowing failure to permit an audit.

The civil penalty cited Energy Resources Technology for failure to provide requested information and documents for an ongoing Federal royalty audit of several offshore leases.

"Energy Resources' failure to provide requested information substantially delayed completion of the audits and is a violation of Federal law," said Greg Gould, Acting Deputy Assistant Secretary for Natural Resources Revenue in the DOI's Office of Policy, Management and Budget. "Failure to provide documents is simply not acceptable," he added.

In addition to not supplying requested information, Energy Resources was unresponsive to other ONRR information requests and failed to respond to various telephone messages, further hampering ONRR's audit efforts.

Energy Resources Technology, headquartered in Houston, TX, has paid the \$136,000 penalty and provided the requested audit information.

The civil penalty follows a March 2011 "Dear Reporter Letter" that ONRR sent to all Federal and Indian oil and gas lessees reminding them of their record-keeping obligations under Federal regulations that require reporters to "establish and maintain records, make reports, and provide information needed to implement the Federal Oil and Gas Royalty Management Act." These record-keeping requirements, the letter noted, are necessary for ONRR and any states or Tribes with cooperative agreements or delegated authority to perform audits, investigations, and reviews of royalties and other payments which reporters may remit to ONRR.

The Office of Natural Resources Revenue, part of the DOI's Office of Policy, Management and Budget, is responsible for collecting and disbursing revenues from energy production that occurs onshore on Federal and American Indian lands, and offshore in the Outer Continental Shelf. During Fiscal Year 2010, the agency disbursed more than \$9.1 billion to states, American Indian Tribes and individual Indian mineral

owners, and to various Federal accounts, including the U.S. Treasury, the Land and Water Conservation Fund, and the Reclamation Fund.

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