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ONRR Issues \$2.3 million Civil Penalty to W&T Offshore *Company cited for 'knowing or willful' submittal of inaccurate royalty reports*

DENVER – The Department of the Interior’s Office of Natural Resources Revenue (ONRR) announced today that it has assessed W&T Offshore, Inc., a \$2,333,000 civil penalty for “knowing or willful submission” of false or inaccurate royalty reports.

“Accurate reporting is a first line of defense in ensuring that ONRR collects every dollar due to the American taxpayer,” said Paul A. Mussenden, Interior’s Deputy Assistant Secretary for Natural Resources Revenue Management. “The ONRR enforcement team efforts that resulted in this civil penalty demonstrate both our commitment to working with companies to encourage compliance and – where appropriate – exercising our civil penalty authority to ensure the accurate reporting that is essential for proper royalty collection on behalf of the American public and Tribal communities.”

At issue were inaccurate royalty reports the company submitted to ONRR that included improper transportation cost deductions on its Outer Continental Shelf Lands Act Section 6 leases in the Gulf of Mexico. The Section 6 leases at issue do not allow transportation deductions for oil from royalty payments.

ONRR issued an order to W&T Offshore in July 2010 denying the oil transportation allowance deductions for the Section 6 leases based on an audit of previous time periods. The company did not dispute the order and corrected and repaid the deductions in August 2010. However, the company continued to deduct transportation allowances for these leases in subsequent years, even though the company knew those deductions were prohibited.

W&T Offshore has offices in Houston, Texas.

The Office of Natural Resources Revenue, part of the Department’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 2013, the agency disbursed more than \$14.2 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.

ONRR