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News Release

Office of Natural Resources Revenue

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News Media Contact:

Patrick Etchart, 303-231-3162

ONRR Issues \$533,520 Civil Penalty to CEP M Purchase *Company cited for failure to report production*

DENVER – The Department of the Interior’s Office of Natural Resources Revenue (ONRR) announced today that it assessed a \$533,520 civil penalty to CEP M Purchase, LLC, (CEP) for failure to report production on federal leases.

“It is essential that companies file accurate and timely production reports to ensure that proper royalties are paid and taxpayer assets are protected,” said ONRR Director Greg Gould. “In this case – despite assurances by the company that it would file the necessary reports – it still has not done so, so the penalty continues to accrue.”

CEP, a wholly owned subsidiary of High Plains Gas, Inc., received a Notice of Noncompliance (NONC) from ONRR in April 2013 for failure to report production for numerous federal leases in Wyoming. The company provided assurances it would submit the delinquent reports, but has not and remains in noncompliance with the NONC.

The company has offices in Sheridan, Wyoming.

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