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Office of Natural Resources Revenue

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Interior's Office of Natural Resources Revenue collects \$1.2 million civil penalty

QEP Resources cited for maintenance of inaccurate reports

DENVER – The Department of the Interior's Office of Natural Resources Revenue (ONRR) has collected a \$1.2 million civil penalty from QEP Resources Inc. for "knowing or willful maintenance" of inaccurate oil and gas royalty and/or production reports on ONRR's Financial System.

ONRR issued the civil penalty in early July after determining that QEP failed to correct royalty and production reports for 35 leases after QEP repeatedly assured ONRR that it would correct the reports.

"Improper reporting hampers audit resources and distorts mineral volume information used by the public and other government agencies," said Paul A. Mussenden, Interior's Deputy Assistant Secretary for Natural Resources Revenue Management. He stressed that accurate reporting is vital for ONRR to ensure that proper royalties are paid for the extraction of publicly owned resources. "We remain committed to collecting every dollar due."

QEP paid a total of \$1,207,800. The company is in the process of correcting all of the inaccurate reports. The civil penalty covers royalty and production reports from March 2008 through December 2009.

The Office of Natural Resources Revenue, part of the Interior 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 on the Outer Continental Shelf. During Fiscal Year 2011, the agency disbursed nearly \$11.2 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.

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