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ONRR Issues \$526,800 Civil Penalty to MitEnergy Upstream *Levied for 'Knowing or Willful' Failure to Permit Audit*

DENVER – The Department of the Interior’s Office of Natural Resources Revenue (ONRR) announced today that it has assessed MitEnergy Upstream LLC a \$526,800 civil penalty for “knowing or willful” failure to provide audit information.

“MitEnergy’s non-responsiveness to pertinent audit requests prevented ONRR from performing substantive verification procedures for the offshore leases and agreements under review,” said ONRR Director Greg Gould.

Specifically, ONRR requested that MitEnergy provide documents to verify gas values, gas volumes, and gas transportation allowances for several offshore leases. MitEnergy did not timely comply with the initial data request even after numerous ONRR follow-up telephone and e-mail messages. MitEnergy eventually complied more than a year after the initial request and provided the documents.

According to Gould, this is the third civil penalty ONRR issued this year for “knowing or willful” failure to permit an audit by not timely supplying required information. “It is imperative that companies provide these documents in a timely fashion so ONRR can complete its examinations of company records,” he said.

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 2012, the agency disbursed more than \$12.15 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