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News Release

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ONRR Issues \$330,050 Civil Penalty to Gulfsands Petroleum *Company cited for 'knowing or willful' maintenance of inaccurate information*

DENVER – The Department of the Interior’s Office of Natural Resources Revenue (ONRR) announced today that it assessed a \$330,050 civil penalty to Gulfsands Petroleum USA, Inc. for “knowing or willful” maintenance of inaccurate royalty reports.

“Timely and accurate reporting is crucial to ensuring that ONRR collects every dollar due to the American taxpayer,” said ONRR Director Greg Gould. “ONRR’s continuing focus on accurate reporting will remain pivotal in carrying out our revenue collection mission.”

The civil penalty follows a December 2011 Order to Report and Pay Additional Royalties ONRR issued to Gulfsands, specifically requiring the company to correct gas volume inaccuracies on certain royalty reports for offshore leases in the Gulf of Mexico. While Gulfsands paid the invoice, it did not correct the reporting.

Gulfsands Petroleum 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 2014, the agency disbursed more than \$13.4 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