



U.S. Department of the Interior

News Release

Office of Natural Resources Revenue

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Office of Public Affairs

For Immediate Release

July 11, 2012

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DOI's ONRR issues \$1.2 million civil penalty to QEP Resources for maintenance of inaccurate reports

DENVER – The Department of the Interior's Office of Natural Resources Revenue (ONRR) announced today that it issued a \$1.2 million civil penalty to 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 after determining that QEP failed to correct royalty and production reports for 35 leases, following repeated assurances from QEP that it would correct the reports.

"It is unacceptable to maintain inaccurate reports in ONRR's Financial System," said Greg Gould, Director of the Office of Natural Resources Revenue. "Improper reporting in ONRR's Financial System wastes audit resources and distorts mineral volume information used by the public and other government agencies. Accurate reporting is essential for ONRR to ensure that proper royalties are paid for the extraction of our publicly owned energy resources."

The civil penalty covers royalty and production reports from March 2008 through December 2009. The civil penalty accruing through July 11, 2012, totals \$1,207,800. The penalties will continue to accrue for each report month until QEP corrects the reports. QEP may request a hearing on the civil penalty.

ONRR also informed the company that the civil penalty assessment is independent of any additional royalties that may be due as a result of the incorrect reporting, and associated interest.

The Office of Natural Resources Revenue, part of the DOI'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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