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Flaring in North Dakota, 2020

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OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

REPORT OF INVESTIGATION SUSPECTED ILLEGAL GAS FLARING IN NORTH DAKOTA



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

REPORT OF INVESTIGATION

Case Title	Case Number
Suspected Illegal Gas Flaring in North Dakota	OIOG-19-0222I
Reporting Office	Report Date
Energy Investigations Unit	April 22, 2020
Report Subject	
Report of Investigation	

SYNOPSIS

This investigation was based on allegations from the Office of Natural Resources Revenue (ONRR), U.S. Department of the Interior, that Continental Resources, Inc. (Continental) improperly flared¹ natural gas without an approved permit from the Bureau of Land Management (BLM). BLM is authorized to approve a company's gas flaring activities associated with Federal mineral leases, but when a company flares without a permit, or when the gas flaring activities are considered avoidable, the company must report and pay royalties to ONRR on 100 percent of the value of the gas.

Based on the report from ONRR, the OIG investigated two allegations: (i) that Continental flared natural gas from Federal mineral leases in North Dakota without an approved BLM permit, and (ii) that Continental failed to report the flared gas to BLM and ONRR as required. With regard to the first allegation, we found that between January 2014 and February 2015, Continental flared natural gas produced from Federal leases without a BLM flaring permit, and therefore, owed royalties estimated to exceed \$900,000. We did not substantiate the second allegation, finding that Continental reported flared gas volumes to ONRR.

To address royalty loss associated with gas flaring activities, BLM and ONRR formed a task force to address BLM's backlog of gas flaring requests in North Dakota. As part of this effort, ONRR is pursuing royalty payment from companies operating in North Dakota that owe Federal mineral royalties due to avoidable or unpermitted gas flaring activities, including Continental.

¹ Natural gas is often produced as a by-product of oil extraction. Gas flaring in the BLM context is the process of burning-off extra gas from production wells in a controlled manner. This is typically done as a safety measure to relieve pressure, or as a disposal method.

Reporting Official/Title
(b) (7)(C) /Special Agent

Signature
Digitally signed.

Approving Official/Title
(b) (7)(C) /SAC

Signature
Digitally signed.

Authentication Number: 5F7AE4F28BC0F49D3638877A46EC57EE

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OI-002 (05/14)

We did not present this case to the U.S. Attorney's Office because both ONRR and BLM have an active administrative process to address the recovery of royalties lost due to gas flaring activities in North Dakota, and we identified no violation of criminal law.

We are providing this report to the Director of ONRR and the Acting Director of BLM for any action deemed appropriate.

BACKGROUND

Companies who produce oil and gas from Federal mineral leases are required to pay the United States mineral royalties on the value of oil and natural gas removed from the lease. These companies are referred to as Federal lessees, and they are required to calculate and report to the Office of Natural Resources Revenue (ONRR), U.S. Department of the Interior (DOI), the value of the oil and gas produced, the royalties due, and pay the proper amount owed in accordance with Federal regulations.

Federal lessees are required to submit monthly reports to ONRR to account for their mineral production and royalty obligation. The reports include an Oil and Gas Operations Report (OGOR) and a Report of Sales & Royalty Remittance (ONRR Form 2014), and the reports are typically prepared and submitted to ONRR electronically. The OGOR is used to account for the production of oil and gas, and the ONRR form 2014 is a representation of the company's accounting and calculated royalty obligation for a specific production month and lease or agreement.

Additionally, oil and gas operations associated with Federal onshore mineral leases are administered by the DOI's Bureau of Land Management (BLM). As the primary agency responsible for regulating oil and gas operations on public lands, the BLM issues formal direction and guidance to Federal mineral lease operators in the form of a Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases (NTL) to aid compliance with Federal regulations. The BLM also reviews and approves formal requests by Federal lessees to conduct gas flaring operations. These formal requests submitted to BLM are referred to as sundry notices.

BLM's NTL-4A provides guidance to Federal lessees regarding payment of Federal mineral royalties on gas that is flared without prior approval or determined to be avoidably lost. BLM's NTL-4A refers to the responsible BLM area deciding official as the "Supervisor" and states in part:

Where produced gas (both gas well gas and oil well gas) is (1) vented or flared during drilling, completing, or producing operations without the prior authorization, approval, ratification, or acceptance of the Supervisor or (2) otherwise avoidably lost, as determined by the Supervisor, the compensation due the United States or the Indian lessor will be computed on the basis of the full value of the gas so wasted, or the allocated portion thereof, attributable to the lease.

In part, NTL-4A defines avoidably lost gas as gas flared due to negligence, a failure to take all reasonable measures to prevent its control or loss, or failure to comply fully with lease terms, regulations, or orders from BLM without the prior authorization or approval of BLM (**Attachment 1**).

DETAILS OF INVESTIGATION

On [REDACTED], 2018, ONRR [REDACTED] (b) (7)(C) alleged that Continental Resources, Inc. (Continental), Oklahoma City, Oklahoma, reported amounts of flared natural gas to the

State of North Dakota Department of Mineral Resources, but did not report these activities when they submitted monthly OGORs to ONRR as required (**Attachments 2 & 3**). [REDACTED] identified the disparate reporting between January 2014 and February 2015 and reported the suspect activities were associated with 28 wells across 18 Federally administered oil and gas leases. [REDACTED] suspected Continental's gas flaring activities were not permitted by the BLM.

Continental Flared Gas Without BLM's Approval

We substantiated the allegation that Continental flared gas without BLM's approval. We worked with bureau personnel and gathered data regarding Continental's oil and gas reporting for analysis and found that between January 2014 and February 2015, Continental flared 223,722 Mcf² of natural gas from 13 Federal wells associated with 9 Federally administered leases without a sundry notice approved by the BLM (**Attachments 4 & 5**). We also learned that during this time period, BLM had a significant backlog of pending sundry notices from multiple companies requesting approval to flare gas. Additionally, the BLM State Director was considering conditions that would require gas flaring activities to be royalty bearing.

Continental Reported Gas Flaring Volumes to ONRR

We did not find that Continental failed to report gas flaring volumes to ONRR as alleged (**Attachment 6**). To aid our investigation, BLM [REDACTED] (b) (7)(C) analyzed Continental's gas flaring and reporting activities (see **Attachments 5 & 6**). [REDACTED] (b) (7)(C) found Continental reported flared gas volumes on OGORs submitted to ONRR consistent with its reporting to the North Dakota Industrial Commission Oil and Gas Division (NDIC), a division of the Department of Mineral Resources (see **Attachment 6**).

Continental's Gas Flaring Resulted in a Loss of Mineral Royalties

We found that Continental's unpermitted gas flaring activities violated the regulatory guidance established in NTL-4A, consequently resulting in Continental's failure to pay appropriate mineral royalties to ONRR.

BLM [REDACTED] (b) (7)(C) explained that instances of unpermitted gas flaring prior to January 17, 2017 were subject to NTL-4A (**Attachment 7**). NTL-4A requires that royalties for gas flared without prior approval to be computed on the basis of the "full value of the gas so wasted" (see **Attachment 1**). Applying this guidance to the 223,722 Mcf of natural gas flared by Continental without BLM's approval, we estimated the value of royalties owed to ONRR range between approximately \$953,976 and \$1,001,595 (see **Attachment 4**).

BLM and ONRR's Focused Effort to Recover Royalties

Working closely with BLM and ONRR officials during our investigation, we discovered that BLM and ONRR have an ongoing collaborative project to specifically address approximately 4,000 unprocessed sundry notices submitted to BLM for gas flaring activities in North Dakota and to recover related unpaid mineral royalties (**Attachment 8**).

² Mcf is an abbreviation derived from the Roman numeral 'M' for one thousand, together with cubic feet (CF) to measure a quantity of natural gas. As a measure of energy value, one thousand cubic feet (Mcf) of gas is equal to approximately 1,000,000 British Thermal Units (BTUs). One BTU is equivalent to the amount of energy used to raise the temperature of a pound of water one-degree Fahrenheit.

ONRR (b) (7)(C) explained that she is leading a project with the BLM to recover mineral royalties associated with backlogged sundry requests for gas flaring activities in North Dakota that BLM determined to be avoidably lost (**Attachment 9**). (b) (7)(C) also explained that ONRR was pursuing outstanding royalties owed by companies operating in North Dakota by using tolling agreements and issuing orders to perform restructured accounting. According to (b) (7)(C) Continental was in the process of accepting a tolling agreement for their unprocessed flaring gas volumes at the time of our investigation.

SUBJECT(S)

Continental Resources, Inc., 20 N. Broadway, Oklahoma City, Oklahoma 73102

DISPOSITION

We did not present this case to the U.S. Attorney's Office because both ONRR and BLM have an active administrative process to address the recovery of royalties lost due to gas flaring activities in North Dakota, and we identified no violation of criminal law.

We are providing this report to the Directors of ONRR and BLM for their consideration and any action deemed appropriate.

ATTACHMENTS

1. Investigative Activity Report (IAR) – Review of NTL-4A, dated April 29, 2019
2. Email from (b) (7)(C) to (b) (7)(C) on December 18, 2018
3. IAR – Interview of (b) (7)(C) on January 31, 2019
4. IAR – Estimated Royalty Value of Flared Gas, dated August 7, 2019
5. IAR – Review of NDFO Sundry Request Information, dated March 18, 2019
6. IAR – NDIC Flaring Amounts, dated April 9, 2019
7. IAR – Interview of (b) (7)(C) on March 4, 2019
8. IAR – Telephonic Contact with (b) (7)(C) on May 10, 2019
9. IAR – Interview of (b) (7)(C) on March 18, 2019



ATTACHMENT 1



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

INVESTIGATIVE ACTIVITY REPORT

Case Number
OI-OG-19-0222-I

Reporting Office
Energy Investigations Unit

Report Date
April 29, 2019

Report Subject
Review of Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases-4A

On April 29, 2019, Special Agent (SA) (b) (7)(C) Energy Investigations Unit (EIU), Office of Inspector General (OIG), U.S. Department of the Interior (DOI), conducted a review of Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases (NTL)-4A. The review was completed concerning potential falsely reported flaring by Continental Resources, Inc. (Continental), Oklahoma City, OK. The following narrative report is a summary of pertinent points.

NTL-4A, Section II, defines avoidably lost production as:

“venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) any combination of the foregoing.”

NTL-4A, Section V, Reporting and Measurement Responsibilities states:

“The volume of oil or gas produced, whether sold, avoidably or unavoidably lost, vented or flared, or used for beneficial purposes (including gas that is reinjected) must be reported on Form 9-329, Monthly Report of Operation, in accordance with the requirement of this Notice and the applicable provisions of NTL-1 and NTL-1A. The volume and value of all oil and gas which is sold, vented or flared without the authorization, approval, ratification, or acceptance of the Supervisor, or which is otherwise determined by the Supervisor to be avoidably lost must be reported on Form 9361, Monthly Report of Sales and Royalties.”

NTL-4A, Section VI, Value Determinations for Royalty or Compensation Purposes states:

“The value shall be computed in the same manner as the Supervisor would have calculated the

Reporting Official Title
(b) (7)(C) Special Agent

Signature
Digitally signed.

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OI-003 (11/17)

value of the oil or gas had it been sold from the same lease, same communitized tract, or same unitized participating area.

NTL-4A, Section VII, Compliance states:

“The failure to comply with the requirements of this notice will result in compliance being secured by such actions as are provided by law and regulation.”

SUPPORTING DOCUMENTS:

1. Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases (NTL4A).

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Conservation DIVISION

Notice to Lessees and Operators of Onshore
Federal and Indian Oil and Gas Leases
(NTL-4A)

Royalty or Compensation for Oil and Gas Lost

This Notice is issued pursuant to the authority prescribed in the Oil and Gas Operating Regulations, Title 30 CFR 221, and in accordance with the terms of the Federal and Indian oil and gas leases under the jurisdiction of the Geological Survey. This Notice supersedes certain provisions of NTL-4, issued effective December 1, 1974; Supplement No. 1 to NTL-4, issued effective December 1, 1978, to 10 lessees and operators on a nationwide basis; and Supplement No. 1 to NTL-4, issued effective December 1, 1978, to all lessees and operators in Wyoming. Lessees and operators who submitted payments for royalty on oil and gas lost under these provisions of NTL-4, which are hereby revoked, may file with the Area Oil and Gas Supervisor (Supervisor) an application for a refund of those payments in accordance with the addendum attached to this Notice.

I. GENERAL

Oil production subject to royalty shall include that which (1) is produced and sold on a lease basis or for the benefit of a lease under the terms of an approved communitization or unitization agreement and (2) the Supervisor determines to have been avoidably lost on a lease, communitized tract, or unitized area. No royalty obligation shall accrue as to that produced oil which (1) is used on the same lease, same communitized tract, or same unitized participating area for beneficial purposes or (2) the Supervisor determines to have been unavoidably lost.

Gas Production (both gas well gas and oil well gas) subject to royalty shall include that which is produced and sold on a lease basis or for the benefit of a lease under the terms of an approved communitization or unitization agreement. No royalty obligation shall accrue on any produced gas which (1) is used on the same lease, same communitized tract, or same unitized participating area for beneficial purposes, (2) is vented or flared with the Supervisor's prior authorization or approval during drilling, completing, or producing operations, (3) is vented or flared pursuant to the rules, regulations, or orders of the appropriate State regulatory agency when said rules, regulations, or orders have been ratified or accepted by the Supervisor, or (4) the Supervisor determines to have been otherwise unavoidably lost.

Where produced gas (both gas well gas and oil well gas) is (1) vented or flared during drilling, completing, or producing operations without the prior authorization, approval, ratification, or acceptance of the Supervisor or (2) otherwise avoidably lost, as determined by the Supervisor, the compensation due the United States or the Indian lessor will be computed on the basis of the full value of the gas so wasted, or the allocated portion thereof, attributable to the lease.

II. DEFINITIONS

As used in this Notice, certain terms are defined as follows:

A. "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) any combination of the foregoing.

B. "Beneficial purposes" shall mean that oil or gas which is produced from a lease, communitized tract, or unitized participating area and which is used on or for the benefit of that same lease, same communitized tract, or same unitized participating area for operating or producing purposes such as (1) fuel in lifting oil or gas, (2) fuel in the heating of oil or gas for the purpose of placing it in a merchantable condition, (3) fuel in compressing gas for the purpose of placing it in a marketable condition, or (4) fuel for firing steam generators for the enhanced recovery of oil. Gas used for beneficial purpose shall also include that which is produced from a lease, communitized tract, or unitized participating area and which is consumed on or for the benefit of that same lease, same communitized tract, or same unitized participating area (1) as fuel for drilling rig engines, (2) as the source of actuating automatic valves at production facilities, or (3) with the prior approval of the Supervisor, as the circulation medium during drilling operations. Where the produced gas is processed through a gasoline plant and royalty settlement is based on the residue gas and other products at the tailgate of the plant, the gas consumed as fuel in the plant operations will be considered as being utilized for beneficial purposes. In addition, gas which is produced from a lease, communitized tract, or unitized participating area and which, in accordance with a plan approved by the Supervisor, is reinjected into wells or formations subject to that same lease, same communitized tract, or same unitized participating area for the purpose of increasing ultimate recovery shall be considered as being used for beneficial purposes; provided, however, that royalty will be charged on the gas used for this purpose at the time it is finally produced and sold.

C. "Unavoidably lost" production shall mean (1) those gas vapors which are released from storage tanks or other low-pressure production vessels unless the Supervisor determines that the recovery of such vapors would be warranted, (2) that oil or gas which is lost because of line failures, equipment malfunctions, blowouts, fires, or otherwise except where the Supervisor determines that said loss resulted from the negligence or the failure of the lessee or operator to take all reasonable measures to prevent and/or control the loss, and (3) the venting or flaring of gas in accordance with Section III hereof.

III. AUTHORIZED VENTING AND FLARING OF GAS

Lessees or operators are hereby authorized to vent or flare gas on a short-term basis without incurring a royalty obligation in the following circumstances:

A. Emergencies. During temporary emergency situations, such as compressor or other equipment failures, relief of abnormal system pressures, or other conditions which result in the unavoidable short-term venting or flaring of gas. However, this authorization to vent or flare gas in such circumstances without incurring a royalty obligation is limited to 24 hours per incident and to 144 hours cumulative for the lease during any calendar month, except with the prior authorization, approval, ratification, or acceptance of the Supervisor.

B. Well Purging and Evaluation Tests. During the unloading or cleaning up of a well during drillstem, producing, routine purging, or evaluation tests, not exceeding a period of 24 hours.

C. Initial Production Tests. During initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first, unless a longer test period has been authorized by the appropriate State regulatory agency and ratified or accepted by the Supervisor.

D. Routine or Special Well Tests. During routine or special well tests, other than those cited in III.B and C above, only after approval by the Supervisor.

IV. OTHER VENTING OR FLARING

A. Gas Well Gas. Except as provided in II.C and III above, gas well gas may not be flared or vented. For the purposes of this Notice, a gas well will be construed as a well from which the energy equivalent of the gas produced, including its entrained liquid hydrocarbons, exceeds the energy equivalent of the oil produced.

B. Oil Well Gas. Except as provided in II.C and III above, oil well gas may not be vented or flared unless approved in writing by the Supervisor. The Supervisor may approve an application for the venting or flaring of oil well gas if justified either by the submittal of (1) an evaluation report supported by engineering, geologic, and economic data which demonstrates to the satisfaction of the

Supervisor that the expenditures necessary to market or beneficially use such gas are not economically justified and that conservation of the gas, if required, would lead to the premature abandonment of recoverable oil reserves and ultimately to a greater loss of equivalent energy than would be recovered if the venting or flaring were permitted to continue or (2) an action plan that will eliminate venting or flaring of the gas within 1 year from the date of application.

The venting or flaring of gas from oil wells completed prior to the effective date of this Notice is authorized for an interim period. However, an application for approval to continue such practices must be submitted within 90 days from the effective date hereof, unless such venting or flaring of gas was authorized, approved, ratified, or accepted previously by the Supervisor. For oil wells completed on or after the effective date of this Notice, an application must be filed with the Supervisor, and approval received, for any venting or flaring of gas beyond the initial 30-day or other authorized test period.

C. Content of Applications. Applications under section B above shall include all appropriate engineering, geologic, and economic data in support of the applicant's determination that conservation of the gas is not viable from an economic standpoint and, if approval is not granted to continue the venting or flaring of the gas, that it will result in the premature abandonment of oil production and/or the curtailment of lease development. The information provided shall include the applicant's estimates of the volumes of oil and gas that would be produced to the economic limit if the application to vent or flare were approved and the volumes of the oil and gas that would be produced if the applicant was required to market or beneficially use the gas. When evaluating the feasibility of requiring conservation of the gas, the total leasehold production, including both oil and gas, as well as the economics of a field wide plan shall be considered by the Supervisor in determining whether the lease can be operated successfully if it is required that the gas be conserved.

V. REPORTING AND MEASUREMENT RESPONSIBILITIES

The volume of oil or gas produced, whether sold, avoidably or unavoidably lost, vented or flared, or used for beneficial purposes (including gas that is reinjected) must be reported on Form 9-329, Monthly Report of Operation, in accordance with the requirement of this Notice and the applicable provisions of NTL-1 and NTL-1A. The volume and value of all oil and gas which is sold, vented or flared without the authorization, approval, ratification, or acceptance of the Supervisor, or which is otherwise determined by the Supervisor to be avoidably lost must be reported on Form 9-361, Monthly Report of Sales and Royalties. Payments submitted in this respect must be accompanied by a Form 9-614-A, Rental and Royalty Remittance Advice.

In determining the volumes of oil and gas to be reported in accordance with the first and second paragraphs of this Section V, lessees and operators shall adhere to the following:

1. When the amount of oil or gas involved has been measured in accordance with Title 30 CFR 221.43 or 221.44, that measurement shall be the basis for the volume reported.
2. When the amount of oil and gas avoidably or unavoidably lost, vented or flared, or used for beneficial purposes occurs without measurement, the volume of oil or gas shall be determined utilizing the following criteria, as applicable:
 - a. Last measured throughput of the production facility.
 - b. Duration of the period of time in which no measurement was made.
 - c. Daily lease production rates.
 - d. Historic production data.
 - e. Well production rates and gas-oil ratio tests.
 - f. Productive capability of other wells in the area completed in the same formation.
 - g. Subsequent measurement or testing, as required by the Supervisor.
 - h. Such other methods as may be approved by the Supervisor.

The Supervisor may require the installation of additional measurement equipment whenever it is determined that the present methods are inadequate to meet the purposes of this Notice.

VI. VALUE DETERMINATIONS FOR ROYALTY OR COMPENSATION PURPOSES

In computing the royalty or compensation due on oil or gas under the provisions of this Notice, the value shall be computed in the same manner as the Supervisor would have calculated the value of the oil or gas had it been sold from the same lease, same communitized tract, or same unitized participating area.

VII. COMPLIANCE

The failure to comply with the requirements of this Notice will result in compliance being secured by such actions as are provided by law and regulation.

January 1, 1980

/s/ C.J. Curtis

Date

C.J. Curtis

Oil and Gas Supervisor

Northern Rocky Mountain Area

Approved:

/s/ Hillary A. Oden

Hillary A. Oden

Acting Chief, Conservation Division

ADDENDUM TO NTL-4A

Refund Applications

Certain provisions of NTL-4 have been revoked retroactive to December 1, 1974, the effective date of said Notice. Accordingly, lessees and operators who submitted royalty payments under the provisions of NTL-4 may apply for a refund of those payments made for (1) oil that was unavoidably lost or used for beneficial purposes on the lease, communitized tract, or unitized participating area from which it was produced and/or (2) gas that was vented or flared with the prior approval of the Supervisor or unavoidably lost. No refunds will be processed in the absence of such an application, and no refunds will be made of those payments submitted on the basis of a determination of waste by the Supervisor. In addition, liquidated damages assessed for the late filing of reports or the failure to report pursuant to the provisions of NTL-4 will not be refunded.

The application shall be in the form of a letter signed by an authorized officer or agent of the lessee or operator and for each individual lease shall include:

1. The lease prefix code and lease number.
2. The month and year.
3. The product code (01, 02, 03, 04, 41, or 43) used in the report and payments previously submitted to the Supervisor.
4. The volume of lost oil and/or gas previously reported and the amount of the refund requested.
5. The total amount of the refund requested for each lease as a subtotal.
6. The total amount of the refund requested for all leases as a grand total.

Additional instructions in regard to the filing and contents of said applications may be obtained by contacting the Supervisor having jurisdiction over the lease or leases involved.

Refund applications will be processed as promptly as possible. The Supervisor, as to Federal leases, may process a direct refund or authorize the applicant to withhold the refund amount from future royalty accruals. However, refunds authorized by the Supervisor with respect to Indian leases will be recoverable only as a credit against future rental or royalty accruals in accordance with the provisions of Section IX (Overpayments) of NTL-1A.



ATTACHMENT 2



(b) (7)(C) @doioig.gov>

Fwd: Referral to OIG

(b) (7)(C) @doioig.gov>
To: (b) (7)(C) @doioig.gov>

Wed, Dec 19, 2018 at 12:45 PM

here is the new complaint regarding Continental. I will enter a help desk ticket so this is entered into CMS and assigned to you for vetting. We can discuss later this week.

----- Forwarded message -----

From: (b) (7)(C) (b) (7)(C)@onrr.gov>
Date: (b) (7)(C) 2018 at 10:35 AM
Subject: Referral to OIG
To: (b) (7)(C) @doioig.gov> (b) (7)(C) @onrr.gov>

I am referring CP19-030 and CP19-031 to you. The company for these cases is Continental Resources. The issues are failure to pay timely and submission of false information. Both cases involve flaring in ND. Continental does not have permission from BLM to flare gas. In addition, Continental reported volumes flared to the state of North Dakota and did not report the flaring on Form ONRR 4454. I am attaching a schedule which shows that Continental did report flared volumes to the state and not to ONRR.

(b) (7)(C)
Office of (b) (7)(C)
Office of Natural Resources Revenue
(b) (7)(C)@onrr.gov
(b) (7)(C)

Special Agent in Charge
DOI-OIG-EIU
(b) (7)(C)

Continental nd flaring.xlsx
15K

Operator	Month Year	MCF_SOLD	MCF_FLARED	BIA_Lease
CONTINENTAL RESOURCES, INC.	Jun 2014	3141	50	
CONTINENTAL RESOURCES, INC.	Aug 2014	399	2293	
CONTINENTAL RESOURCES, INC.	Sep 2014	0	1641	
CONTINENTAL RESOURCES, INC.	Feb 2015	0	4278	
CONTINENTAL RESOURCES, INC.	Sep 2014	9459	9470	
CONTINENTAL RESOURCES, INC.	Sep 2014	9760	5318	
CONTINENTAL RESOURCES, INC.	Oct 2014	16026	15575	
CONTINENTAL RESOURCES, INC.	Oct 2014	3326	11143	
CONTINENTAL RESOURCES, INC.	Nov 2014	519	25438	
CONTINENTAL RESOURCES, INC.	Nov 2014	0	13084	
CONTINENTAL RESOURCES, INC.	Dec 2014	6092	4239	
CONTINENTAL RESOURCES, INC.	Dec 2014	888	4103	
CONTINENTAL RESOURCES, INC.	Jan 2015	6733	4323	
CONTINENTAL RESOURCES, INC.	Jan 2015	5897	3179	
CONTINENTAL RESOURCES, INC.	Feb 2015	461	20704	
CONTINENTAL RESOURCES, INC.	Feb 2015	5377	3	
CONTINENTAL RESOURCES, INC.	Jan 2015	19236	10126	
CONTINENTAL RESOURCES, INC.	Feb 2015	27484	2944	
CONTINENTAL RESOURCES, INC.	Oct 2014	14597	4112	
CONTINENTAL RESOURCES, INC.	Nov 2014	19918	7800	
CONTINENTAL RESOURCES, INC.	Dec 2014	9212	18987	
CONTINENTAL RESOURCES, INC.	Jan 2015	20483	11360	
CONTINENTAL RESOURCES, INC.	Feb 2015	14630	5578	
CONTINENTAL RESOURCES, INC.	Oct 2014	0	9716	
CONTINENTAL RESOURCES, INC.	Nov 2014	0	6972	
CONTINENTAL RESOURCES, INC.	Dec 2014	0	11879	
CONTINENTAL RESOURCES, INC.	Jan 2015	375	10391	
CONTINENTAL RESOURCES, INC.	Feb 2015	0	2753	
CONTINENTAL RESOURCES, INC.	Apr 2014	3993	420	
CONTINENTAL RESOURCES, INC.	Jun 2014	4144	348	
CONTINENTAL RESOURCES, INC.	Aug 2014	3444	1024	
CONTINENTAL RESOURCES, INC.	Sep 2014	4361	64	
CONTINENTAL RESOURCES, INC.	Nov 2014	3597	282	
CONTINENTAL RESOURCES, INC.	Jan 2015	959	182	
CONTINENTAL RESOURCES, INC.	Feb 2015	463	20	
CONTINENTAL RESOURCES, INC.	Jan 2014	9622	75	
CONTINENTAL RESOURCES, INC.	Jun 2014	7607	810	
CONTINENTAL RESOURCES, INC.	Dec 2014	5023	140	
CONTINENTAL RESOURCES, INC.	Jan 2015	3660	50	
CONTINENTAL RESOURCES, INC.	Oct 2014	6467	2079	
CONTINENTAL RESOURCES, INC.	Nov 2014	6083	30	

CONTINENTAL RESOURCES, INC.	Nov 2014	8646	134	
CONTINENTAL RESOURCES, INC.	Nov 2014	7378	118	
CONTINENTAL RESOURCES, INC.	Jan 2015	6074	234	
CONTINENTAL RESOURCES, INC.	Feb 2015	6323	162	
CONTINENTAL RESOURCES, INC.	Apr 2014	27878	641	
CONTINENTAL RESOURCES, INC.	May 2014	34435	1373	
CONTINENTAL RESOURCES, INC.	May 2014	22711	1012	
CONTINENTAL RESOURCES, INC.	Jun 2014	21537	4475	
CONTINENTAL RESOURCES, INC.	Jun 2014	23126	1338	
CONTINENTAL RESOURCES, INC.	Jul 2014	18015	3320	
CONTINENTAL RESOURCES, INC.	Jul 2014	9436	1206	
CONTINENTAL RESOURCES, INC.	Aug 2014	0	1	
CONTINENTAL RESOURCES, INC.	Aug 2014	6439	28	
CONTINENTAL RESOURCES, INC.	Aug 2014	6694	7189	
CONTINENTAL RESOURCES, INC.	Aug 2014	7080	5770	
CONTINENTAL RESOURCES, INC.	Sep 2014	8382	399	
CONTINENTAL RESOURCES, INC.	Sep 2014	11565	29	
CONTINENTAL RESOURCES, INC.	Sep 2014	23568	12720	
CONTINENTAL RESOURCES, INC.	Sep 2014	23833	11802	
CONTINENTAL RESOURCES, INC.	Oct 2014	20569	22	
CONTINENTAL RESOURCES, INC.	Oct 2014	13047	22	
CONTINENTAL RESOURCES, INC.	Oct 2014	23618	218	
CONTINENTAL RESOURCES, INC.	Oct 2014	13859	50	
CONTINENTAL RESOURCES, INC.	Nov 2014	11577	234	
CONTINENTAL RESOURCES, INC.	Nov 2014	11617	233	
CONTINENTAL RESOURCES, INC.	Nov 2014	27357	26	
CONTINENTAL RESOURCES, INC.	Nov 2014	19606	112	
CONTINENTAL RESOURCES, INC.	Dec 2014	11618	31	
CONTINENTAL RESOURCES, INC.	Dec 2014	8586	15	
CONTINENTAL RESOURCES, INC.	Dec 2014	25111	31	
CONTINENTAL RESOURCES, INC.	Dec 2014	12936	232	
CONTINENTAL RESOURCES, INC.	Jan 2015	9139	6	
CONTINENTAL RESOURCES, INC.	Jan 2015	8212	12	
CONTINENTAL RESOURCES, INC.	Jan 2015	20924	245	
CONTINENTAL RESOURCES, INC.	Jan 2015	14668	10	
CONTINENTAL RESOURCES, INC.	Feb 2014	3427	38	
CONTINENTAL RESOURCES, INC.	Mar 2014	4334	65	
CONTINENTAL RESOURCES, INC.	Apr 2014	4195	18	
CONTINENTAL RESOURCES, INC.	Jun 2014	7225	52	
CONTINENTAL RESOURCES, INC.	Jul 2014	4359	22	
CONTINENTAL RESOURCES, INC.	Aug 2014	5967	30	
CONTINENTAL RESOURCES, INC.	Sep 2014	2443	20	
CONTINENTAL RESOURCES, INC.	Jan 2015	1426	92	
CONTINENTAL RESOURCES, INC.	Jan 2014	0	15	
CONTINENTAL RESOURCES, INC.	Feb 2014	0	28	
CONTINENTAL RESOURCES, INC.	Mar 2014	0	31	
CONTINENTAL RESOURCES, INC.	Apr 2014	0	27	

CONTINENTAL RESOURCES, INC.	May 2014	0	30	
CONTINENTAL RESOURCES, INC.	Jun 2014	0	30	
CONTINENTAL RESOURCES, INC.	Jul 2014	0	16	
CONTINENTAL RESOURCES, INC.	Aug 2014	0	31	
CONTINENTAL RESOURCES, INC.	Sep 2014	0	27	
CONTINENTAL RESOURCES, INC.	Oct 2014	0	31	
CONTINENTAL RESOURCES, INC.	Nov 2014	0	30	
CONTINENTAL RESOURCES, INC.	Dec 2014	0	31	
CONTINENTAL RESOURCES, INC.	Jan 2015	0	12	
CONTINENTAL RESOURCES, INC.	Aug 2014	1962	143	
CONTINENTAL RESOURCES, INC.	Aug 2014	3780	80	
CONTINENTAL RESOURCES, INC.	Sep 2014	3424	509	
CONTINENTAL RESOURCES, INC.	Sep 2014	3328	434	
CONTINENTAL RESOURCES, INC.	Sep 2014	3942	619	
CONTINENTAL RESOURCES, INC.	Nov 2014	2118	331	
CONTINENTAL RESOURCES, INC.	Jan 2014	0	3754	FBR
CONTINENTAL RESOURCES, INC.	Jan 2014	0	172	FBR
CONTINENTAL RESOURCES, INC.	Feb 2015	0	21	
CONTINENTAL RESOURCES, INC.	May 2014	6540	24	
CONTINENTAL RESOURCES, INC.	May 2014	4664	17	
CONTINENTAL RESOURCES, INC.	Jun 2014	5700	96	
CONTINENTAL RESOURCES, INC.	Jun 2014	5192	115	
CONTINENTAL RESOURCES, INC.	Jul 2014	5582	16	
CONTINENTAL RESOURCES, INC.	Jul 2014	4828	275	
CONTINENTAL RESOURCES, INC.	Aug 2014	6068	16	
CONTINENTAL RESOURCES, INC.	Sep 2014	5787	15	
CONTINENTAL RESOURCES, INC.	Oct 2014	5655	75	
CONTINENTAL RESOURCES, INC.	Oct 2014	5304	12	
CONTINENTAL RESOURCES, INC.	Nov 2014	4944	15	
CONTINENTAL RESOURCES, INC.	Nov 2014	4073	15	
CONTINENTAL RESOURCES, INC.	Dec 2014	3728	16	
CONTINENTAL RESOURCES, INC.	Dec 2014	4226	65	
CONTINENTAL RESOURCES, INC.	Jan 2015	4869	4	
CONTINENTAL RESOURCES, INC.	Jan 2015	3851	4	
CONTINENTAL RESOURCES, INC.	Jan 2014	400	15	
CONTINENTAL RESOURCES, INC.	Feb 2014	34	90	
CONTINENTAL RESOURCES, INC.	Mar 2014	454	6425	
CONTINENTAL RESOURCES, INC.	Apr 2014	3403	893	
CONTINENTAL RESOURCES, INC.	Jul 2014	3085	25	
CONTINENTAL RESOURCES, INC.	Aug 2014	2537	31	
CONTINENTAL RESOURCES, INC.	Sep 2014	3070	30	
CONTINENTAL RESOURCES, INC.	Oct 2014	2840	31	
CONTINENTAL RESOURCES, INC.	Nov 2014	2916	15	
CONTINENTAL RESOURCES, INC.	Jan 2015	2524	1	

API_WellNo	Property #	Reported Venting and Flaring to ONRR
330070124300	2550545150	NO
330070124300	2550545150	NO
330070124300	2550545150	NO
330530564500	2550958040	NO
331050317600	2550966860	NO
331050317700	2550966860	NO
331050317600	2550966860	NO
331050317700	2550966860	NO
331050317600	2550966860	NO
331050317700	2550966860	NO
331050317600	2550966860	NO
331050317700	2550966860	NO
331050317600	2550966860	NO
331050317700	2550966860	NO
331050317600	2550966860	NO
331050317700	2550966860	NO
330530604700	2550985630	NO
330530604700	2550985630	NO
330530528200	2551021860	NO
330530528200	2551021860	NO
330530528200	2551021860	NO
330530528200	2551021860	NO
330530528200	2551021860	NO
331050344800	2840933950	NO
331050344800	2840933950	NO
331050344800	2840933950	NO
331050344800	2840933950	NO
331050344800	2840933950	NO
330530310300	2840939870	NO
330530310300	2840939870	NO
330530310300	2840939870	NO
330530310300	2840939870	NO
330530310300	2840939870	NO
330070174300	2840944670	NO
330070174300	2840944670	NO
330530331800	2840961540	NO
330530331800	2840961540	NO
330530331800	2840961540	NO
330530331800	2840961540	NO
330530359500	2840987700	NO
330530359500	2840987700	NO

330530359600	2840987700	NO
330530461900	2840987700	NO
330530359600	2840987700	NO
330530359600	2840987700	NO
331050263500	2841021820	NO
331050263500	2841021820	NO
331050263600	2841021820	NO
331050263500	2841021820	NO
331050263600	2841021820	NO
331050263500	2841021820	NO
331050263600	2841021820	NO
331050263500	2841021820	NO
331050263600	2841021820	NO
331050263700	2841021820	NO
331050263800	2841021820	NO
331050263500	2841021820	NO
331050263600	2841021820	NO
331050263700	2841021820	NO
331050263800	2841021820	NO
331050263500	2841021820	NO
331050263600	2841021820	NO
331050263700	2841021820	NO
331050263800	2841021820	NO
331050263500	2841021820	NO
331050263600	2841021820	NO
331050263700	2841021820	NO
331050263800	2841021820	NO
331050263500	2841021820	NO
331050263600	2841021820	NO
331050263700	2841021820	NO
331050263800	2841021820	NO
331050263500	2841021820	NO
331050263600	2841021820	NO
331050263700	2841021820	NO
331050263800	2841021820	NO
331050243100	2841021840	NO
331050243100	2841021840	NO
331050243100	2841021840	NO
331050243100	2841021840	NO
331050243100	2841021840	NO
331050243100	2841021840	NO
331050243100	2841021840	NO
331050095900	8830702110	NO
331050095900	8830702110	NO
331050095900	8830702110	NO
331050095900	8830702110	NO

[illegible]



ATTACHMENT 3



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

INVESTIGATIVE ACTIVITY REPORT

Case Number
Complaint 19-0222

Reporting Office
Energy Investigations Unit

Report Date
February 1, 2019

Report Subject
Telephonic Meeting with (b) (7)(C)

On January 31, 2019, Special Agent (SA) (b) (7)(C), Energy Investigations Unit (EIU), Office of Inspector General (OIG), U.S. Department of the Interior (DOI), conducted a telephonic meeting with (b) (7)(C), Office of Natural Resources Revenue (ONRR) concerning potentially falsely reported flaring by Continental Resources, Inc. (Continental), Oklahoma City, OK. The following narrative report is not a verbatim account of the interview, but rather a substantive summary of information provided during the meeting.

According to (b) (7)(C) in 2016 she conducted a review of reported flaring in Continental ONRR Form 4054 Oil and Gas Operations Reports (OGORs) versus state level production reports for wells in North Dakota as part of a proactive initiative. (b) (7)(C) said that she had another ONRR employee, who she could not recall the name of, conduct a comparison of the OGORs and state level reporting and discovered that Continental was reporting flaring to the North Dakota Department of Mineral Resources, but claimed to have not flared on the OGORs submitted to ONRR for the same periods. (b) (7)(C) reported the information to the OIG in (b) (7)(C) 2018 because her supervisor, (b) (7)(C) directed her to. (b) (7)(C) did not possess Federal lease information for the identified wells and recommended obtaining state level production reports from the North Dakota Department of Mineral Resources.

(b) (7)(C) concluded that it was unlikely that the flaring was permitted by BLM because she did not believe Bureau of Land Management (BLM) officials had the resources to provide permits for the amount of flaring identified. (b) (7)(C) did not possess definitive evidence that the flaring was conducted in violation of BLM permitting and was not aware if there were applicable outstanding royalties due. (b) (7)(C) had not contacted BLM and was not aware of a POC at the regional BLM office.

(b) (7)(C) said that one key factor to determine was whether the flaring was considered "avoidable." She said that if it was determined to be avoidable, 100% royalties would be due for amount of flared resource.

(b) (7)(C) commented that she possessed a list of 20 additional companies that may also have

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(b) (7)(C) / Special Agent

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OI-003 (11/17)

inconsistently reported flaring.

Contact Information:

(b) (7)(C)

Office of Natural Resources Revenue

(b) (7)(C)

(b) (7)(C) court.gov



ATTACHMENT 4



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

INVESTIGATIVE ACTIVITY REPORT

Case Number
OIOG-19-0222-I

Reporting Office
Energy Investigations Unit

Report Date
August 7, 2019

Report Subject
Estimation of Potential Royalty Value – Avoidably Flared Gas

On August 7, 2019, Special Agent (SA) (b) (7)(C), Energy Investigations Unit (EIU), Office of Inspector General (OIG), U.S. Department of the Interior completed an estimation of the royalty value of natural gas avoidably flared by Continental Resources, Inc. (Continental), Oklahoma City, OK from wells located in North Dakota between January 2014 and February 2015. The wells and the associated leases were identified in the supporting document *OIG Flaring Request +.xls*, filed under the Investigative Activity Report *NDIC Flaring Amounts*. The following is a summary of pertinent points.

Methodology

Each of the wells and their production and flaring data identified as having instances of avoidably flared gas were consolidated into the Microsoft Excel Spreadsheet *Flared Amounts and Estimated Royalty Rate Calculation 19-0222*, under the tab titled “Flared Amounts.” The spreadsheet tab was then filtered by “Month Year.” Column D, titled “MCF_FLARED,” contains avoidably flared amounts of natural gas measured in thousands of cubic feet.

- These amounts were totaled in the corresponding month/year cell on the tab titled Royalty Calculations using Excel’s “SUM” function (i.e. =SUM(“Flared Amounts”!D29:D30)).
- Natural gas values for each month were obtained from the U.S. Energy Information Administration’s webpage “<https://www.eia.gov/dnav/ng/hist/n3035us3M.htm>”.
- The avoidably flared amounts were then multiplied by the obtained natural gas values, creating the totals located in under the “Prod Value” column.
- The “Prod Value” column was totaled in cell D16 using Excel’s “SUM” function generating the total production value of the avoidably flared gas between January 2014 and February 2015 as \$1,144,680.47. The Flared amounts were totaled in cell B16 as 223,722 MCF.
- The production values were then multiplied by the low (12.5%) and high (16.66%) royalty rates associated with the oil and gas leases as identified by ONRR and BLM staff. The result identified the royalty rates of \$143,085.06 (12.5%) and \$190,703.77 (16.66%) respectively.
- Considering that BLM reported that Continental correctly indicated the flared gas amounts on monthly production reports, and assuming that they paid the appropriate royalties on the

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OI-003 (11/17)

otherwise avoidably flared natural gas, the remaining royalties due are estimated to be between \$953,976.70 and \$1,001,595.41.

***Agent's Note:** Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases (NTL-4A) identifies that "produced gas (both gas well gas and oil well gas) is (1) vented or flared during drilling, completing, or producing operations without the prior authorization, approval, ratification, or acceptance of the Supervisor or (2) otherwise avoidably lost, as determined by the Supervisor, the compensation due the United States or the Indian lessor will be computed **on the basis of the full value of the gas so wasted**, or the allocated portion thereof, attributable to the lease." (Emphasis Added).*

SUPPORTING DOCUMENTS:

1. OIG Flaring Request Plus.
2. Flared Amounts and Estimated Royalty Rate Calculations 19-0222.
3. United States Natural Gas Industrial Price (Dollars per Thousand Cubic Feet).
4. Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases (NTL-4A).

	Amount	Rate (per MCF)	Prod Value	Royalty at 12.5	Royalty at 16.66
Jan-14	90	5.69	512.1	64.0125	85.31586
Feb-14	66	6.63	437.58	54.6975	72.900828
Mar-14	96	6.47	621.12	77.64	103.478592
Apr-14	1106	5.85	6470.1	808.7625	1077.91866
May-14	2415	5.74	13862.1	1732.7625	2309.42586
Jun-14	7053	5.46	38509.38	4813.6725	6415.662708
Jul-14	38	5.43	206.34	25.7925	34.376244
Aug-14	8303	4.96	41182.88	5147.86	6861.067808
Sep-14	40358	5.02	202597.16	25324.645	33752.68686
Oct-14	40889	5.03	205671.67	25708.95875	34264.90022
Nov-14	54211	5.02	272139.22	34017.4025	45338.39405
Dec-14	39688	5.62	223046.56	27880.82	37159.5569
Jan-15	160	4.9	784	98	130.6144
Feb-15	29249	4.74	138640.26	17330.0325	23097.46732
Totals	223722		\$1,144,680.47	\$143,085.06	\$190,703.77

Total Due				\$1,001,595.41	\$953,976.70
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U.S. Energy Information
Administration

NATURAL GAS

OVERVIEW DATA ANALYSIS & PROJECTIONS

GLOSSARY

FAQS

Referring Pages:

- Natural Gas Industrial Price
- U.S. Natural Gas Prices
- Natural Gas Industrial Price

View History Monthly Annual

Download Data (XLS File)

United States Natural Gas Industrial Price

DOWNLOAD

Dollars per Thousand Cubic Feet



Source: U.S. Energy Information Administration

Chart Tools

no analysis applied

This series is available through the EIA open data API and can be downloaded to Excel or embedded as an interactive chart or map on your website.

United States Natural Gas Industrial Price (Dollars per Thousand Cubic Feet)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2001	8.84	7.21	6.30	6.08	5.46	4.75	4.10	3.99	35.0	3.18	3.88	3.69
2002	4.05	3.70	3.78	3.64	4.07	3.86	3.80	3.62	3.89	4.18	4.72	4.92
2003	5.65	6.40	8.27	5.96	5.78	6.59	5.69	5.28	5.32	4.93	5.19	5.90
2004	6.72	6.52	5.97	6.06	6.34	6.82	6.41	6.36	5.68	6.03	7.64	7.54
2005	7.06	7.15	7.12	7.71	7.19	6.91	7.40	7.98	10.18	12.06	12.11	11.17
2006	10.85	9.38	8.24	7.93	7.63	6.92	6.78	7.36	7.21	5.62	7.74	8.23
2007	7.36	8.25	8.42	8.14	8.11	7.92	7.51	6.72	6.28	7.06	7.87	8.18
2008	8.29	8.96	9.61	10.03	11.35	12.11	13.06	10.10	9.13	8.10	7.34	7.86
2009	7.50	6.43	5.69	5.05	4.40	4.56	4.68	4.38	3.89	4.82	5.44	5.97
2010	6.93	6.76	6.01	5.12	5.08	5.04	5.49	5.37	4.61	4.73	4.60	5.50
2011	5.66	5.77	5.21	5.34	5.21	5.21	5.05	5.21	4.84	4.71	4.64	45.9
2012	4.58	4.19	3.71	3.21	3.02	3.34	3.60	3.83	3.56	3.94	4.46	4.73
2013	4.58	4.54	4.59	4.95	5.00	4.90	4.47	4.31	4.36	4.36	4.62	4.97
2014	5.69	6.63	6.47	5.85	5.74	5.46	5.43	4.96	5.02	5.03	5.02	5.62
2015	4.90	4.74	4.46	3.96	3.58	3.76	3.74	3.79	3.65	3.54	3.28	3.48
2016	3.62	3.58	3.02	3.00	2.90	2.89	3.57	3.59	3.74	3.87	3.86	4.27
2017	4.87	4.56	3.94	4.13	4.03	4.06	3.93	3.79	3.84	3.79	3.85	4.21
2018	4.48	4.86	4.02	3.90	3.81	3.78	3.76	3.67	3.75	4.04	4.51	5.46
2019	5.04	4.65	4.33	4.02	3.65							

8/7/2019

United States Natural Gas Industrial Price (Dollars per Thousand Cubic Feet)

- = No Data Reported; -- = Not Applicable; NA = Not Available; W = Withheld to avoid disclosure of individual company data.

Release Date: 7/31/2019

Next Release Date: 8/30/2019

Referring Pages:

- [Natural Gas Industrial Price](#)
- [U.S. Natural Gas Prices](#)
- [Natural Gas Industrial Price](#)



ATTACHMENT 5



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

INVESTIGATIVE ACTIVITY REPORT

Case Number
OIOG-19-0222-I

Reporting Office
Energy Investigations Unit

Report Date
March 18, 2019

Report Subject
Dickinson Field Office Record Review

On March 18, 2019, Special Agent (SA) (b) (7)(C), Energy Investigations Unit (EIU), Office of Inspector General (OIG), U.S. Department of the Interior (DOI), conducted a review of research conducted by the North Dakota Field Office (NDFO), Bureau of Land Management (BLM), Dickinson, North Dakota. (b) (7)(C) provided SA (b) (7)(C) with the research, via email, in a Microsoft Excel document titled *OIG Flaring Request.xls* on March 13, 2019. The review was completed concerning potential falsely reported flaring by Continental Resources, Inc. (Continental), Oklahoma City, OK. The following narrative report is a summary of pertinent points.

In an email dated March 12, 2019, (b) (7)(C) stated he identified only one well (American Petroleum Institute (API) well number 330070124300, Federal Lease NDM54515) of the 28 wells that had reported different flaring amounts to North Dakota Industrial Commission, Oil and Gas Division, and to BLM. The well was operated by XTO Energy, INC., Fort Worth, TX, not Continental.

Based on the information provided in the document *OIG Flaring Request*:

- 13 Continental wells across 9 Federal leases had periods between January 2014 and February 2015 where they flared without an approved sundry request on file with BLM.
- Three of the wells were fee wells during the alleged periods of unauthorized flaring and not associated with Federal leases.
- 14 of the wells had associated sundry requests returned for further information.
- Three of the wells were associated with NDFO approved sundry requests during the period of alleged unauthorized flaring.
- The following five wells were listed as "Pending, NDFO still waiting for further guidance."
 - 331050095900
 - 330530564500
 - 330530604700
 - 330070174300

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(b) (7)(C) /Special Agent

Signature
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SUPPORTING DOCUMENTS:

1. Email from (b) (7)(C) to SA (b) (7)(C) on March 12, 2019.
2. Email from (b) (7)(C) to SA (b) (7)(C) on March 13, 2019.
3. OIG Flaring Request.

Operator	Month Year	MCF_SOLD	MCF_FLARED	BIA_Lease
CONTINENTAL RESOURCES, INC.	Jan 2014	0	15	
CONTINENTAL RESOURCES, INC.	Feb 2014	0	28	
CONTINENTAL RESOURCES, INC.	Mar 2014	0	31	
CONTINENTAL RESOURCES, INC.	Apr 2014	0	27	
CONTINENTAL RESOURCES, INC.	May 2014	0	30	
CONTINENTAL RESOURCES, INC.	Jun 2014	0	30	
CONTINENTAL RESOURCES, INC.	Jul 2014	0	16	
CONTINENTAL RESOURCES, INC.	Aug 2014	0	31	
CONTINENTAL RESOURCES, INC.	Sep 2014	0	27	
CONTINENTAL RESOURCES, INC.	Oct 2014	0	31	
CONTINENTAL RESOURCES, INC.	Nov 2014	0	30	
CONTINENTAL RESOURCES, INC.	Dec 2014	0	31	
CONTINENTAL RESOURCES, INC.	Jan 2015	0	12	
CONTINENTAL RESOURCES, INC.	Jan 2014	0	3754	FBR
CONTINENTAL RESOURCES, INC.	Jan 2014	0	172	FBR
CONTINENTAL RESOURCES, INC.	Apr 2014	3993	420	
CONTINENTAL RESOURCES, INC.	Jun 2014	4144	348	
CONTINENTAL RESOURCES, INC.	Aug 2014	3444	1024	
CONTINENTAL RESOURCES, INC.	Sep 2014	4361	64	
CONTINENTAL RESOURCES, INC.	Nov 2014	3597	282	
CONTINENTAL RESOURCES, INC.	Feb 2015	0	21	
CONTINENTAL RESOURCES, INC.	Oct 2014	14597	4112	
CONTINENTAL RESOURCES, INC.	Nov 2014	19918	7800	
CONTINENTAL RESOURCES, INC.	Dec 2014	9212	18987	
CONTINENTAL RESOURCES, INC.	Jan 2015	20483	11360	
CONTINENTAL RESOURCES, INC.	Feb 2015	14630	5578	
CONTINENTAL RESOURCES, INC.	Apr 2014	27878	641	
CONTINENTAL RESOURCES, INC.	May 2014	34435	1373	
CONTINENTAL RESOURCES, INC.	Jun 2014	21537	4475	
CONTINENTAL RESOURCES, INC.	Jul 2014	18015	3320	
CONTINENTAL RESOURCES, INC.	Aug 2014	0	1	
CONTINENTAL RESOURCES, INC.	Sep 2014	8382	399	
CONTINENTAL RESOURCES, INC.	Oct 2014	20569	22	

CONTINENTAL RESOURCES, INC.	Nov 2014	11577	234	
CONTINENTAL RESOURCES, INC.	Dec 2014	11618	31	
CONTINENTAL RESOURCES, INC.	Jan 2015	9139	6	
CONTINENTAL RESOURCES, INC.	May 2014	22711	1012	
CONTINENTAL RESOURCES, INC.	Jun 2014	23126	1338	
CONTINENTAL RESOURCES, INC.	Jul 2014	9436	1206	
CONTINENTAL RESOURCES, INC.	Aug 2014	6439	28	
CONTINENTAL RESOURCES, INC.	Sep 2014	11565	29	
CONTINENTAL RESOURCES, INC.	Oct 2014	13047	22	
CONTINENTAL RESOURCES, INC.	Nov 2014	11617	233	
CONTINENTAL RESOURCES, INC.	Dec 2014	8586	15	
CONTINENTAL RESOURCES, INC.	Jan 2015	8212	12	
CONTINENTAL RESOURCES, INC.	Aug 2014	6694	7189	
CONTINENTAL RESOURCES, INC.	Sep 2014	23568	12720	
CONTINENTAL RESOURCES, INC.	Oct 2014	23618	218	
CONTINENTAL RESOURCES, INC.	Nov 2014	27357	26	
CONTINENTAL RESOURCES, INC.	Dec 2014	25111	31	
CONTINENTAL RESOURCES, INC.	Jan 2015	20924	245	
CONTINENTAL RESOURCES, INC.	Aug 2014	7080	5770	
CONTINENTAL RESOURCES, INC.	Sep 2014	23833	11802	
CONTINENTAL RESOURCES, INC.	Oct 2014	13859	50	
CONTINENTAL RESOURCES, INC.	Nov 2014	19606	112	
CONTINENTAL RESOURCES, INC.	Dec 2014	12936	232	
CONTINENTAL RESOURCES, INC.	Jan 2015	14668	10	
CONTINENTAL RESOURCES, INC.	Jan 2014	9622	75	
CONTINENTAL RESOURCES, INC.	Jun 2014	7607	810	
CONTINENTAL RESOURCES, INC.	Dec 2014	5023	140	
CONTINENTAL RESOURCES, INC.	Jan 2015	3660	50	
CONTINENTAL RESOURCES, INC.	Oct 2014	6467	2079	
CONTINENTAL RESOURCES, INC.	Nov 2014	6083	30	
CONTINENTAL RESOURCES, INC.	Nov 2014	8646	134	
CONTINENTAL RESOURCES, INC.	Jan 2015	6074	234	
CONTINENTAL RESOURCES, INC.	Feb 2015	6323	162	
CONTINENTAL RESOURCES, INC.	Nov 2014	7378	118	

CONTINENTAL RESOURCES, INC.	Jan 2014	400	15	
CONTINENTAL RESOURCES, INC.	Feb 2014	34	90	
CONTINENTAL RESOURCES, INC.	Mar 2014	454	6425	
CONTINENTAL RESOURCES, INC.	Apr 2014	3403	893	
CONTINENTAL RESOURCES, INC.	Jul 2014	3085	25	
CONTINENTAL RESOURCES, INC.	Aug 2014	2537	31	
CONTINENTAL RESOURCES, INC.	Sep 2014	3070	30	
CONTINENTAL RESOURCES, INC.	Oct 2014	2840	31	
CONTINENTAL RESOURCES, INC.	Nov 2014	2916	15	
CONTINENTAL RESOURCES, INC.	Jan 2015	2524	1	
CONTINENTAL RESOURCES, INC.	Feb 2014	3427	38	
CONTINENTAL RESOURCES, INC.	Mar 2014	4334	65	
CONTINENTAL RESOURCES, INC.	Apr 2014	4195	18	
CONTINENTAL RESOURCES, INC.	Jun 2014	7225	52	
CONTINENTAL RESOURCES, INC.	Jul 2014	4359	22	
CONTINENTAL RESOURCES, INC.	Aug 2014	5967	30	
CONTINENTAL RESOURCES, INC.	Sep 2014	2443	20	
CONTINENTAL RESOURCES, INC.	Jan 2015	1426	92	
CONTINENTAL RESOURCES, INC.	Sep 2014	9459	9470	
CONTINENTAL RESOURCES, INC.	Oct 2014	16026	15575	
CONTINENTAL RESOURCES, INC.	Nov 2014	519	25438	
CONTINENTAL RESOURCES, INC.	Dec 2014	6092	4239	
CONTINENTAL RESOURCES, INC.	Jan 2015	6733	4323	
CONTINENTAL RESOURCES, INC.	Feb 2015	461	20704	
CONTINENTAL RESOURCES, INC.	Sep 2014	9760	5318	
CONTINENTAL RESOURCES, INC.	Oct 2014	3326	11143	
CONTINENTAL RESOURCES, INC.	Nov 2014	0	13084	
CONTINENTAL RESOURCES, INC.	Dec 2014	888	4103	
CONTINENTAL RESOURCES, INC.	Jan 2015	5897	3179	
CONTINENTAL RESOURCES, INC.	Feb 2015	5377	3	
CONTINENTAL RESOURCES, INC.	Feb 2015	0	4278	
CONTINENTAL RESOURCES, INC.	Aug 2014	1962	143	
CONTINENTAL RESOURCES, INC.	Sep 2014	3424	509	
CONTINENTAL RESOURCES, INC.	Sep 2014	3328	434	
CONTINENTAL RESOURCES, INC.	Aug 2014	3780	80	
CONTINENTAL RESOURCES, INC.	Sep 2014	3942	619	
CONTINENTAL RESOURCES, INC.	Nov 2014	2118	331	

CONTINENTAL RESOURCES, INC.	Jan 2015	19236	10126	
CONTINENTAL RESOURCES, INC.	Feb 2015	27484	2944	
CONTINENTAL RESOURCES, INC.	Oct 2014	0	9716	
CONTINENTAL RESOURCES, INC.	Nov 2014	0	6972	
CONTINENTAL RESOURCES, INC.	Dec 2014	0	11879	
CONTINENTAL RESOURCES, INC.	Jan 2015	375	10391	
CONTINENTAL RESOURCES, INC.	Feb 2015	0	2753	
CONTINENTAL RESOURCES, INC.	Jan 2015	959	182	
CONTINENTAL RESOURCES, INC.	Feb 2015	463	20	
CONTINENTAL RESOURCES, INC.	Jun 2014	3141	50	
CONTINENTAL RESOURCES, INC.	Aug 2014	399	2293	
CONTINENTAL RESOURCES, INC.	Sep 2014	0	1641	
CONTINENTAL RESOURCES, INC.	May 2014	6540	24	
CONTINENTAL RESOURCES, INC.	Jun 2014	5700	96	
CONTINENTAL RESOURCES, INC.	Jul 2014	5582	16	
CONTINENTAL RESOURCES, INC.	Aug 2014	6068	16	
CONTINENTAL RESOURCES, INC.	Sep 2014	5787	15	
CONTINENTAL RESOURCES, INC.	Oct 2014	5655	75	
CONTINENTAL RESOURCES, INC.	Nov 2014	4944	15	
CONTINENTAL RESOURCES, INC.	Dec 2014	3728	16	
CONTINENTAL RESOURCES, INC.	Jan 2015	4869	4	
CONTINENTAL RESOURCES, INC.	May 2014	4664	17	
CONTINENTAL RESOURCES, INC.	Jun 2014	5192	115	
CONTINENTAL RESOURCES, INC.	Jul 2014	4828	275	
CONTINENTAL RESOURCES, INC.	Oct 2014	5304	12	
CONTINENTAL RESOURCES, INC.	Nov 2014	4073	15	
CONTINENTAL RESOURCES, INC.	Dec 2014	4226	65	
CONTINENTAL RESOURCES, INC.	Jan 2015	3851	4	

API_WellNo	Property #	Reported Venting and Flaring to ONRR	Federal Lease #	Venting/Flaring Sundry	Date received
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	N	
331050095900	8830702110	NO	M 97774	Y	
			M 97774		9/22/2015
330530473700	M 101564	NO	M 101564	Y	7/29/2014
330530473800	M 101564	NO	M 101564	Y	7/29/2014
330530310300	2840939870	NO	M 101589	N	
330530310300	2840939870	NO	M 101589	N	
330530310300	2840939870	NO	M 101589	N	
330530310300	2840939870	NO	M 101589	N	
330530310300	2840939870	NO	M 101589	N	
330530383700	M 106544	NO	M 106544	Y	7/21/2014
330530528200	2551021860	NO	NDM106883	N	
330530528200	2551021860	NO	NDM106883	N	
330530528200	2551021860	NO	NDM106883	N	
330530528200	2551021860	NO	NDM106883	Y	1/19/2015
330530528200	2551021860	NO	NDM106883	N	
331050263500	2841021820	NO	NDM106965	N	
331050263500	2841021820	NO	NDM106965	N	
331050263500	2841021820	NO	NDM106965	N	
331050263500	2841021820	NO	NDM106965	Y	7/24/2014
331050263500	2841021820	NO	NDM106965	N	
331050263500	2841021820	NO	NDM106965	N	
331050263500	2841021820	NO	NDM106965	N	

331050263500	2841021820	NO	NDM106965	N	
331050263500	2841021820	NO	NDM106965	N	
331050263500	2841021820	NO	NDM106965	N	
331050263600	2841021820	NO	NDM106965	N	
331050263600	2841021820	NO	NDM106965	N	
331050263600	2841021820	NO	NDM106965	Y	7/24/2014
331050263600	2841021820	NO	NDM106965	N	
331050263600	2841021820	NO	NDM106965	N	
331050263600	2841021820	NO	NDM106965	N	
331050263600	2841021820	NO	NDM106965	N	
331050263600	2841021820	NO	NDM106965	N	
331050263600	2841021820	NO	NDM106965	N	
331050263700	2841021820	NO	NDM106965	N	
331050263700	2841021820	NO	NDM106965	N	
331050263700	2841021820	NO	NDM106965	N	
331050263700	2841021820	NO	NDM106965	N	
331050263700	2841021820	NO	NDM106965	N	
331050263700	2841021820	NO	NDM106965	Y	1/19/2015
331050263800	2841021820	NO	NDM106965	N	9/15/2016
331050263800	2841021820	NO	NDM106965	N	
331050263800	2841021820	NO	NDM106965	N	
331050263800	2841021820	NO	NDM106965	N	
331050263800	2841021820	NO	NDM106965	N	
331050263800	2841021820	NO	NDM106965	Y	1/19/2015
				Y	9/15/2016
330530331800	2840961540	NO	NDM107194	N	
330530331800	2840961540	NO	NDM107194	N	
330530331800	2840961540	NO	NDM107194	N	
330530331800	2840961540	NO	NDM107194	N	
330530359500	2840987700	NO	NDM107195	Y	6/10/2014
330530359500	2840987700	NO	NDM107195	Y	6/10/2014
330530359600	2840987700	NO	NDM107195	Y	6/10/2014
330530359600	2840987700	NO	NDM107195	N	
330530359600	2840987700	NO	NDM107195	N	
330530461900	2840987700	NO	NDM107195	Y	6/10/2014
					8/31/2016

331050301700 M 107404	NO	NDM107404	N	
331050301700 M 107404	NO	NDM107404	N	
331050301700 M 107404	NO	NDM107404	N	
331050301700 M 107404	NO	NDM107404	N	
331050301700 M 107404	NO	NDM107404	N	
331050301700 M 107404	NO	NDM107404	N	
331050301700 M 107404	NO	NDM107404	N	
331050301700 M 107404	NO	NDM107404	N	
331050301700 M 107404	NO	NDM107404	N	
331050301700 M 107404	NO	NDM107404	N	
331050243100 2841021840	NO	NDM107642	N	
331050243100 2841021840	NO	NDM107642	N	
331050243100 2841021840	NO	NDM107642	N	
331050243100 2841021840	NO	NDM107642	N	
331050243100 2841021840	NO	NDM107642	N	
331050243100 2841021840	NO	NDM107642	N	
331050243100 2841021840	NO	NDM107642	N	
331050243100 2841021840	NO	NDM107642	N	
331050317600 2550966860	NO	NDM107721	N	
331050317600 2550966860	NO	NDM107721	N	
331050317600 2550966860	NO	NDM107721	N	
331050317600 2550966860	NO	NDM107721	N	
331050317600 2550966860	NO	NDM107721	Y	1/16/2015
331050317600 2550966860	NO	NDM107721		
331050317700 2550966860	NO	NDM107721	N	
331050317700 2550966860	NO	NDM107721	N	
331050317700 2550966860	NO	NDM107721	N	
331050317700 2550966860	NO	NDM107721	N	
331050317700 2550966860	NO	NDM107721	Y	1/16/2015
331050317700 2550966860	NO	NDM107721	N	
330530564500 2550958040	NO	NDM107763	Y	11/13/2015
330250204600 M 98867	NO	NDM107876	Y	6/17/2014
330250204600 M 98867	NO	NDM107876		
330250204700 M 98867	NO	NDM107876	Y	6/17/2014
330250204800 M 98867	NO	NDM107876	Y	6/17/2014
330250204800 M 98867	NO	NDM107876	Y	6/17/2014
330250204800 M 98867	NO	NDM107876	Y	6/17/2014

[illegible]

amt requested	Final disp.
---------------	-------------

small amount - insufficient pressure to enter into a sales line -- Royalty Free	Pending, NDFO still waiting for further guidance
---	--

not to exceed 51 mcf	Returned add'l info needed
not to exceed 1329 mcf	Returned add'l info needed

occasional, up to 8 MCF/day	Returned add'l info needed
-----------------------------	----------------------------

	Production on this well started on 10/12.
--	---

occasional, up to 1461MCF/day	Returned add'l info needed
-------------------------------	----------------------------

	This well started producing on 3/24/2014.
--	---

occasional, up to 518MCF/day	Returned, add'l info needed
------------------------------	-----------------------------

occasional, up to 250MCF/day

Returned, add'l info needed

Production on this well started on 8/14/2014.

occasional, up to 234MCF/day

Returned, add'l info needed

occasional, up to 650MCF/day royalty free

occasional, up to 65MCF/day

Returned, add'l info needed

occasional, up to 800MCF/day royalty free

compressor issues up to 200MCF/day -
hope to be resolved by August 2014

Returned add'l info needed

compressor issues up to 600MCF/day -
hope to be resolved by August 2014

compressor issues up to 600MCF/day -
hope to be resolved by August 2014

Returned add'l info needed

compressor issues up to 500MCF/day -
hope to be resolved by August 2014
occasionally up to approx. 25MCF/day -
royalty free

Returned add'l info needed

Fee Well prior to CA being
approved 1/23/2015
Operator Changed from CONTINENTAL RESOURCES INC to
Comp Dt: 10/4/2013

Operator Changed from CONTINENTAL RESOURCES INC to

Production on this well started on 8/23/2014.

not to exceed 865 mcf

Returned add'l info needed

Production started on this well on 8/20/2014.

not to exceed 865 mcf

Returned add'l info needed

occasionally up to approx. 1200 MCF/day -
royalty free

Pending, NDFO still waiting for further guidance

NDFO accepted the sundry for the
Well is hooked to a pipeline so flaring sundr record

NDFO accepted the sundry for the
Well is hooked to a pipeline so flaring sundr record

NDFO accepted the sundry for the
Well is hooked to a pipeline so flaring sundr record

Well is hooked to a pipeline so flaring sundr NDFO accepted the sundry for the record
Well is hooked to a pipeline so flaring sundr NDFO accepted the sundry for the record

occasionally up to approx. 725 MCF per day - royalty free	Pending, NDFO still waiting for further guidance
occasionally up to approx. 725 MCF per day	Pending, NDFO still waiting for further guidance

First Production started on 10/5/2014.

not to exceed 769	returned add'l info needed
not to exceed 769	returned add'l info needed

up to 75MCF per day - royalty free	Approved -- no pipeline	more info at FO
up to 75MCF per day - royalty free	Pending, NDFO still waiting for further guidance	

For up to a year from approval	returned more info needed	specifics in hard file
For up to a year from approval	returned more info needed	
For up to a year from approval	returned more info needed	

This is a FEE well producing from 1280-acre spacing unit (See
There is no federal minerals in that sapacing unit.

This is a FEE well producing from 1280-acre spacing unit (See
There is no federal minerals in that sapacing unit.

ecs 15&22-T152N-R96W) and it should not be listed under CA# NDM107104 since this CA covers 2560-a

ecs 15&22-T152N-R96W) and it should not be listed under CA# NDM107104 since this CA covers 2560-a

cre spacing unit.

cre spacing unit.



(b) (7)(C)

@doioig.gov>

Research Request - Possible Unreported Flaring

Tue, Mar 12, 2019 at 4:42 PM

To: (b) (7)(C) @blm.gov>
 Cc: (b) (7)(C) @doioig.gov>
 (b) (7)(C) @blm.gov>, (b) (7)(C) @blm.gov>, (b) (7)(C) @blm.gov>, (b) (7)(C) @blm.gov>, (b) (7)(C) @blm.gov>, (b) (7)(C) @blm.gov>

I updated your spreadsheet with more information about the flaring sundry's. I reviewed the flaring OGOR volumes and compared them to the NDIC flaring volumes. The only case that had different volumes was NDM54515. NDM54515 had a successor of operator change submitted on 2/4/09 to XTO Energy Inc from Giffon & Associates LLC so I am not quite sure where Continental Resources fits in on that lease. If you have further questions, feel free to call [redacted] or myself. Thanks [redacted]

(b) (7)(C)

Bureau of Land Management
 North Dakota Field Office
 99 23rd Ave West
 Dickinson, ND 58601

O - (b) (7)(C)
 C - (b) (7)(C)
 F - (b) (7)(C)

On Tue, Mar 12, 2019 at 1:43 PM (b) (7)(C) @blm.gov> wrote:

I have provided additional information in the K-N columns of the attached spreadsheet. Most of the sundries in the spreadsheet do not have enough information to make a determination on avoidable/unavoidable loss and they were returned for additional information. At the moment, we are waiting for further guidance from the State Office for how to proceed with processing the rest of the flaring sundries. Please see the attached spreadsheet and let me know if you have any questions.

Best
 [redacted]

On Mon, Mar 11, 2019 at 2:27 PM (b) (7)(C) @blm.gov> wrote:

I will start working on the spreadsheet this afternoon. I will go through the flaring sundries for the referenced wells to determine avoidable flared mcf. [redacted] is preparing NDIC hearing dockets this afternoon so he will help us tomorrow.

Best
 [redacted]

On Mon, Mar 11, 2019 at 12:07 PM (b) (7)(C) @blm.gov> wrote:
 We need to get together and see if we can answer the O's questions.. [redacted]

(b) (7)(C)

Bureau of Land Management
 North Dakota Field Office
 99 23rd Ave West
 Dickinson, ND 58601

O - (b) (7)(C)
 C - (b) (7)(C)
 F - (b) (7)(C)

[Quoted text hidden]

Bureau of Land Management
 North Dakota Field Office
 99 23rd Ave. West
 Dickinson, ND 58601
 Office: 701-227-7757
 Email: [redacted]@blm.gov

(b) (7)(C)

Bureau of Land Management

3/14/2019

DEPARTMENT OF THE INTERIOR Mail - Research Request - Possible Unreported Flaring

North Dakota Field Office
99 23rd Ave. West
Dickinson, ND 58601
Office: [REDACTED]
Email: [REDACTED]@bim.gov



(b) (7)(C) @doioig.gov>

Research Request - Possible Unreported Flaring

Wed, Mar 13, 2019 at 10:48 AM

To: (b) (7)(C) @blm.gov>
Cc: (b) (7)(C) @doioig.gov>
(b) (7)(C) @blm.gov> (b) (7)(C) @blm.gov> (b) (7)(C) @blm.gov> (b) (7)(C) @blm.gov>
(b) (7)(C) @blm.gov> (b) (7)(C) @blm.gov> (b) (7)(C) @blm.gov> (b) (7)(C) @blm.gov>

Let's see if this works. Thanks

(b) (7)(C)

Bureau of Land Management
North Dakota Field Office
99 23rd Ave West
Dickinson, ND 58601

O - (b) (7)(C)
C - (b) (7)(C)
F - (b) (7)(C)

[quoted text hidden]

OIG Flaring request.xlsx
27K



ATTACHMENT 6



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

INVESTIGATIVE ACTIVITY REPORT

Case Number
OI-OG-19-0222-I

Reporting Office
Energy Investigations Unit

Report Date
April 9, 2019

Report Subject
Review of Continental Reported Flaring Amounts

On April 9, 2019, Special Agent (SA) (b) (7)(C), Energy Investigations Unit (EIU), Office of Inspector General (OIG), U.S. Department of the Interior (DOI), conducted a review of a March 18, 2019 email received from (b) (7)(C) North Dakota Field Office (NDFO), Bureau of Land Management (BLM). The review was completed concerning potential falsely reported flaring by Continental Resources, Inc. (Continental), Oklahoma City, OK. The following narrative report is a summary of pertinent points.

In response to a request for the actual amounts of flared gas reported to BLM versus the North Dakota Industrial Commission (NDIC), Oil and Gas Division, (b) (7)(C) provided an additional column to the previous spreadsheet named *OIG Flaring Request.xls*. The updated document was named *OIG Flaring Request +.xls*. Based on a review of the spreadsheet, it appears that Continental reported the exact same amounts of flared gas to BLM as it did to the NDIC with the exception of one well.

Continental reported 21 thousand cubic feet (MCF) of flared natural gas from American Petroleum Institute (API) well number 330530383700 to BLM but not to NDIC in February 2015. Continental submitted a sundry request to BLM for this well, but it was returned for further information.

The XTO Energy, Inc. (XTO), Fort Worth, TX, well (API # 330070124300) identified in *IAR – Review of NDFO Sundry Request Information* reported a total of 3984 MCF of flared natural gas to BLM but not to NDIC between June and September 2014. XTO submitted flaring requests, but BLM returned the requests for additional information.

SUPPORTING DOCUMENTS:

1. Email from (b) (7)(C) to SA (b) (7)(C) on March 18, 2019.
2. *OIG Flaring Requests +.xls*.

Reporting Official Title
(b) (7)(C) / Special Agent

Signature
Digitally signed.

Authentication Number: 6A1AE70118C1E0822CEA3D3306B16B4E

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OFFICIAL USE ONLY

OI-003 (11/17)



(b) (7)(C)

@doioig.gov>

Flaring spreadsheet

(b) (7)(C) @blm.gov>

Mon, Mar 18, 2019 at 11:59 AM

To: (b) (7)(C) @doioig.gov>

Cc: (b) (7)(C) @blm.gov>, (b) (7)(C) @blm.gov>, (b) (7)(C) @blm.gov>

Attached is the flaring spreadsheet. I added a column with the NDIC flaring volumes. Just out of curiosity, who from ONRR requested this data? Let me know if you need additional info.

(b) (7)(C)

Bureau of Land Management
North Dakota Field Office
99 23rd Ave West
Dickinson, ND 58601

O - (b) (7)(C)
C - (b) (7)(C)
F - (b) (7)(C)

OIG Flaring request +.xlsx
28K

Operator	Month Year	MCF_SOLD	MCF_FLARED	NDIC_FLARED
CONTINENTAL RESOURCES, INC.	Jan 2014	0	15	15
CONTINENTAL RESOURCES, INC.	Feb 2014	0	28	28
CONTINENTAL RESOURCES, INC.	Mar 2014	0	31	31
CONTINENTAL RESOURCES, INC.	Apr 2014	0	27	27
CONTINENTAL RESOURCES, INC.	May 2014	0	30	30
CONTINENTAL RESOURCES, INC.	Jun 2014	0	30	30
CONTINENTAL RESOURCES, INC.	Jul 2014	0	16	16
CONTINENTAL RESOURCES, INC.	Aug 2014	0	31	31
CONTINENTAL RESOURCES, INC.	Sep 2014	0	27	27
CONTINENTAL RESOURCES, INC.	Oct 2014	0	31	31
CONTINENTAL RESOURCES, INC.	Nov 2014	0	30	30
CONTINENTAL RESOURCES, INC.	Dec 2014	0	31	31
CONTINENTAL RESOURCES, INC.	Jan 2015	0	12	12
CONTINENTAL RESOURCES, INC.	Jan 2014	0	3754	3754
CONTINENTAL RESOURCES, INC.	Jan 2014	0	172	172
CONTINENTAL RESOURCES, INC.	Apr 2014	3993	420	420
CONTINENTAL RESOURCES, INC.	Jun 2014	4144	348	348
CONTINENTAL RESOURCES, INC.	Aug 2014	3444	1024	1024
CONTINENTAL RESOURCES, INC.	Sep 2014	4361	64	64
CONTINENTAL RESOURCES, INC.	Nov 2014	3597	282	282
CONTINENTAL RESOURCES, INC.	Feb 2015	0	21	0
CONTINENTAL RESOURCES, INC.	Oct 2014	14597	4112	4112
CONTINENTAL RESOURCES, INC.	Nov 2014	19918	7800	7800
CONTINENTAL RESOURCES, INC.	Dec 2014	9212	18987	18987
CONTINENTAL RESOURCES, INC.	Jan 2015	20483	11360	11360
CONTINENTAL RESOURCES, INC.	Feb 2015	14630	5578	5578
CONTINENTAL RESOURCES, INC.	Apr 2014	27878	641	641
CONTINENTAL RESOURCES, INC.	May 2014	34435	1373	1373
CONTINENTAL RESOURCES, INC.	Jun 2014	21537	4475	4475
CONTINENTAL RESOURCES, INC.	Jul 2014	18015	3320	3320
CONTINENTAL RESOURCES, INC.	Aug 2014	0	1	1
CONTINENTAL RESOURCES, INC.	Sep 2014	8382	399	399
CONTINENTAL RESOURCES, INC.	Oct 2014	20569	22	22

CONTINENTAL RESOURCES, INC.	Nov 2014	11577	234	234
CONTINENTAL RESOURCES, INC.	Dec 2014	11618	31	31
CONTINENTAL RESOURCES, INC.	Jan 2015	9139	6	6
CONTINENTAL RESOURCES, INC.	May 2014	22711	1012	1012
CONTINENTAL RESOURCES, INC.	Jun 2014	23126	1338	1338
CONTINENTAL RESOURCES, INC.	Jul 2014	9436	1206	1206
CONTINENTAL RESOURCES, INC.	Aug 2014	6439	28	28
CONTINENTAL RESOURCES, INC.	Sep 2014	11565	29	29
CONTINENTAL RESOURCES, INC.	Oct 2014	13047	22	22
CONTINENTAL RESOURCES, INC.	Nov 2014	11617	233	233
CONTINENTAL RESOURCES, INC.	Dec 2014	8586	15	15
CONTINENTAL RESOURCES, INC.	Jan 2015	8212	12	12
CONTINENTAL RESOURCES, INC.	Aug 2014	6694	7189	7189
CONTINENTAL RESOURCES, INC.	Sep 2014	23568	12720	12720
CONTINENTAL RESOURCES, INC.	Oct 2014	23618	218	218
CONTINENTAL RESOURCES, INC.	Nov 2014	27357	26	26
CONTINENTAL RESOURCES, INC.	Dec 2014	25111	31	31
CONTINENTAL RESOURCES, INC.	Jan 2015	20924	245	245
CONTINENTAL RESOURCES, INC.	Aug 2014	7080	5770	5770
CONTINENTAL RESOURCES, INC.	Sep 2014	23833	11802	11802
CONTINENTAL RESOURCES, INC.	Oct 2014	13859	50	50
CONTINENTAL RESOURCES, INC.	Nov 2014	19606	112	112
CONTINENTAL RESOURCES, INC.	Dec 2014	12936	232	232
CONTINENTAL RESOURCES, INC.	Jan 2015	14668	10	10
CONTINENTAL RESOURCES, INC.	Jan 2014	9622	75	75
CONTINENTAL RESOURCES, INC.	Jun 2014	7607	810	810
CONTINENTAL RESOURCES, INC.	Dec 2014	5023	140	140
CONTINENTAL RESOURCES, INC.	Jan 2015	3660	50	50
CONTINENTAL RESOURCES, INC.	Oct 2014	6467	2079	2079
CONTINENTAL RESOURCES, INC.	Nov 2014	6083	30	30
CONTINENTAL RESOURCES, INC.	Nov 2014	8646	134	134
CONTINENTAL RESOURCES, INC.	Jan 2015	6074	234	234
CONTINENTAL RESOURCES, INC.	Feb 2015	6323	162	162
CONTINENTAL RESOURCES, INC.	Nov 2014	7378	118	118

CONTINENTAL RESOURCES, INC.	Jan 2014	400	15	15
CONTINENTAL RESOURCES, INC.	Feb 2014	34	90	90
CONTINENTAL RESOURCES, INC.	Mar 2014	454	6425	6425
CONTINENTAL RESOURCES, INC.	Apr 2014	3403	893	893
CONTINENTAL RESOURCES, INC.	Jul 2014	3085	25	25
CONTINENTAL RESOURCES, INC.	Aug 2014	2537	31	31
CONTINENTAL RESOURCES, INC.	Sep 2014	3070	30	30
CONTINENTAL RESOURCES, INC.	Oct 2014	2840	31	31
CONTINENTAL RESOURCES, INC.	Nov 2014	2916	15	15
CONTINENTAL RESOURCES, INC.	Jan 2015	2524	1	1
CONTINENTAL RESOURCES, INC.	Feb 2014	3427	38	38
CONTINENTAL RESOURCES, INC.	Mar 2014	4334	65	65
CONTINENTAL RESOURCES, INC.	Apr 2014	4195	18	18
CONTINENTAL RESOURCES, INC.	Jun 2014	7225	52	52
CONTINENTAL RESOURCES, INC.	Jul 2014	4359	22	22
CONTINENTAL RESOURCES, INC.	Aug 2014	5967	30	30
CONTINENTAL RESOURCES, INC.	Sep 2014	2443	20	20
CONTINENTAL RESOURCES, INC.	Jan 2015	1426	92	92
CONTINENTAL RESOURCES, INC.	Sep 2014	9459	9470	9470
CONTINENTAL RESOURCES, INC.	Oct 2014	16026	15575	15575
CONTINENTAL RESOURCES, INC.	Nov 2014	519	25438	25438
CONTINENTAL RESOURCES, INC.	Dec 2014	6092	4239	4239
CONTINENTAL RESOURCES, INC.	Jan 2015	6733	4323	4323
CONTINENTAL RESOURCES, INC.	Feb 2015	461	20704	20704
CONTINENTAL RESOURCES, INC.	Sep 2014	9760	5318	5318
CONTINENTAL RESOURCES, INC.	Oct 2014	3326	11143	11143
CONTINENTAL RESOURCES, INC.	Nov 2014	0	13084	13084
CONTINENTAL RESOURCES, INC.	Dec 2014	888	4103	4103
CONTINENTAL RESOURCES, INC.	Jan 2015	5897	3179	3179
CONTINENTAL RESOURCES, INC.	Feb 2015	5377	3	3
CONTINENTAL RESOURCES, INC.	Feb 2015	0	4278	4278
CONTINENTAL RESOURCES, INC.	Aug 2014	1962	143	143
CONTINENTAL RESOURCES, INC.	Sep 2014	3424	509	509
CONTINENTAL RESOURCES, INC.	Sep 2014	3328	434	
CONTINENTAL RESOURCES, INC.	Aug 2014	3780	80	80
CONTINENTAL RESOURCES, INC.	Sep 2014	3942	619	619
CONTINENTAL RESOURCES, INC.	Nov 2014	2118	331	331

CONTINENTAL RESOURCES, INC.	Jan 2015	19236	10126	10126
CONTINENTAL RESOURCES, INC.	Feb 2015	27484	2944	2944
CONTINENTAL RESOURCES, INC.	Oct 2014	0	9716	9716
CONTINENTAL RESOURCES, INC.	Nov 2014	0	6972	6972
CONTINENTAL RESOURCES, INC.	Dec 2014	0	11879	11879
CONTINENTAL RESOURCES, INC.	Jan 2015	375	10391	10391
CONTINENTAL RESOURCES, INC.	Feb 2015	0	2753	2753
CONTINENTAL RESOURCES, INC.	Jan 2015	959	182	182
CONTINENTAL RESOURCES, INC.	Feb 2015	463	20	20
CONTINENTAL RESOURCES, INC.	Jun 2014	3141	50	XTO reported 0
CONTINENTAL RESOURCES, INC.	Aug 2014	399	2293	XTO reported 0
CONTINENTAL RESOURCES, INC.	Sep 2014	0	1641	XTO reported 0
CONTINENTAL RESOURCES, INC.	May 2014	6540	24	
CONTINENTAL RESOURCES, INC.	Jun 2014	5700	96	
CONTINENTAL RESOURCES, INC.	Jul 2014	5582	16	
CONTINENTAL RESOURCES, INC.	Aug 2014	6068	16	
CONTINENTAL RESOURCES, INC.	Sep 2014	5787	15	
CONTINENTAL RESOURCES, INC.	Oct 2014	5655	75	
CONTINENTAL RESOURCES, INC.	Nov 2014	4944	15	
CONTINENTAL RESOURCES, INC.	Dec 2014	3728	16	
CONTINENTAL RESOURCES, INC.	Jan 2015	4869	4	
CONTINENTAL RESOURCES, INC.	May 2014	4664	17	
CONTINENTAL RESOURCES, INC.	Jun 2014	5192	115	
CONTINENTAL RESOURCES, INC.	Jul 2014	4828	275	
CONTINENTAL RESOURCES, INC.	Oct 2014	5304	12	
CONTINENTAL RESOURCES, INC.	Nov 2014	4073	15	
CONTINENTAL RESOURCES, INC.	Dec 2014	4226	65	
CONTINENTAL RESOURCES, INC.	Jan 2015	3851	4	

[illegible]

	331050263500	2841021820	NO	NDM106965	N
	331050263500	2841021820	NO	NDM106965	N
	331050263500	2841021820	NO	NDM106965	N
	331050263600	2841021820	NO	NDM106965	N
	331050263600	2841021820	NO	NDM106965	N
	331050263600	2841021820	NO	NDM106965	Y
	331050263600	2841021820	NO	NDM106965	N
	331050263600	2841021820	NO	NDM106965	N
	331050263600	2841021820	NO	NDM106965	N
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	331050263700	2841021820	NO	NDM106965	N
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	331050263800	2841021820	NO	NDM106965	N
	331050263800	2841021820	NO	NDM106965	N
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	331050263800	2841021820	NO	NDM106965	N
	331050263800	2841021820	NO	NDM106965	N
	331050263800	2841021820	NO	NDM106965	Y
					Y
	330530331800	2840961540	NO	NDM107194	N
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	330530331800	2840961540	NO	NDM107194	N
	330530331800	2840961540	NO	NDM107194	N
	330530359500	2840987700	NO	NDM107195	Y
	330530359500	2840987700	NO	NDM107195	Y
	330530359600	2840987700	NO	NDM107195	Y
	330530359600	2840987700	NO	NDM107195	N
	330530359600	2840987700	NO	NDM107195	N
	330530461900	2840987700	NO	NDM107195	Y

331050301700 M 107404	NO	NDM107404	N
331050301700 M 107404	NO	NDM107404	N
331050301700 M 107404	NO	NDM107404	N
331050301700 M 107404	NO	NDM107404	N
331050301700 M 107404	NO	NDM107404	N
331050301700 M 107404	NO	NDM107404	N
331050301700 M 107404	NO	NDM107404	N
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331050243100 2841021840	NO	NDM107642	N
331050243100 2841021840	NO	NDM107642	N
331050243100 2841021840	NO	NDM107642	N
331050317600 2550966860	NO	NDM107721	N
331050317600 2550966860	NO	NDM107721	N
331050317600 2550966860	NO	NDM107721	N
331050317600 2550966860	NO	NDM107721	N
331050317600 2550966860	NO	NDM107721	Y
331050317600 2550966860	NO	NDM107721	N
331050317700 2550966860	NO	NDM107721	N
331050317700 2550966860	NO	NDM107721	N
331050317700 2550966860	NO	NDM107721	N
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330530564500 2550958040	NO	NDM107763	Y
330250204600 M 98867	NO	NDM107876	Y
330250204600 M 98867	NO	NDM107876	
330250204700 M 98867	NO	NDM107876	Y
330250204800 M 98867	NO	NDM107876	Y
330250204800 M 98867	NO	NDM107876	Y
330250204800 M 98867	NO	NDM107876	Y

	330530604700	2550985630	NO	NDM107886	Y
	330530604700	2550985630	NO	NDM107886	Y
	331050344800	2840933950	NO	NDM107896	N
	331050344800	2840933950	NO	NDM107896	N
	331050344800	2840933950	NO	NDM107896	N
	331050344800	2840933950	NO	NDM107896	Y
	331050344800	2840933950	NO	NDM107896	Y
	330070174300	2840944670	NO	NDM107410	Y
	330070174300	2840944670	NO	NDM107410	Y
	330070124300	2550545150	NO	NDM54515	Y - from XTO
	330070124300	2550545150	NO	NDM54515	Y - from XTO
	330070124300	2550545150	NO	NDM54515	Y
	330530335800 M	107104	NO	UNK	Could not find
	330530335800 M	107104	NO	UNK	
	330530335800 M	107104	NO	UNK	
	330530335800 M	107104	NO	UNK	
	330530335800 M	107104	NO	UNK	
	330530335800 M	107104	NO	UNK	
	330530335800 M	107104	NO	UNK	
	330530335800 M	107104	NO	UNK	
	330530366900 M	107104	NO	UNK	Could not find
	330530366900 M	107104	NO	UNK	
	330530366900 M	107104	NO	UNK	
	330530366900 M	107104	NO	UNK	
	330530366900 M	107104	NO	UNK	
	330530366900 M	107104	NO	UNK	

Date received	amt requested	Final disp.
small amount - inssufficient pressure to		
9/22/2015	enter into a sales line -- Royalty Free	Pending, NDFO still waiting for furtl
7/29/2014	not to exceed 51 mcf	Returned add'l info needed
7/29/2014	not to exceed 1329 mcf	Returned add'l info needed
7/21/2014	occasional, up to 8 MCF/day	Returned add'l info needed
Production on this well started on 1		
1/19/2015	occasional, up to 1461MCF/day	Returned add'l info needed
This well started producing on 3/24		
7/24/2014	occasional, up to 518MCF/day	Returned, add'l info needed

7/24/2014 occasional, up to 250MCF/day

Returned, add'l info needed

Production on this well started on 8/15/2014

1/19/2015 occasional, up to 234MCF/day

Returned, add'l info needed

9/15/2016 occasional, up to 650MCF/day royalty free

1/19/2015 occasional, up to 65MCF/day

Returned, add'l info needed

9/15/2016 occasional, up to 800MCF/day royalty free

compressor issues up to 200MCF/day -

6/10/2014 hope to be resolved by August 2014

Returned add'l info needed

compressor issues up to 600MCF/day -

6/10/2014 hope to be resolved by August 2014

compressor issues up to 600MCF/day -

6/10/2014 hope to be resolved by August 2014

Returned add'l info needed

compressor issues up to 500MCF/day -

6/10/2014 hope to be resolved by August 2014

Returned add'l info needed

occasionally up to approx. 25MCF/day -

8/31/2016 royalty free

Fee Well prior to CA being
approved 1/23/2015
Operator Changed from CONTINEN
Comp Dt: 10/4/2013

Operator Changed from CONTINEN

Production on this well started on 8

1/16/2015 not to exceed 865 mcf

Returned add'l info needed

Production started on this well on 8

1/16/2015 not to exceed 865 mcf

Returned add'l info needed

occasionally up to approx. 1200 MCF/day -

11/13/2015 royalty free

Pending, NDFO still waiting for furtl

NDFO accepted the sundry for the

6/17/2014 Well is hooked to a pipeline so flaring sundr record

NDFO accepted the sundry for the

6/17/2014 Well is hooked to a pipeline so flaring sundr record

NDFO accepted the sundry for the

6/17/2014 Well is hooked to a pipeline so flaring sundr record

6/17/2014 Well is hooked to a pipeline so flaring sundr NDFO accepted the sundry for the

6/17/2014 Well is hooked to a pipeline so flaring sundr NDFO accepted the sundry for the

occasionally up to approx. 725 MCF per	
11/13/2015 day - royalty free	Pending, NDFO still waiting for furtl
11/13/2015 occasionally up to approx. 725 MCF per day	Pending, NDFO still waiting for furtl

	First Production started on 10/5/20
1/6/2015 not to exceed 769	returned add'l info needed
1/6/2015 not to exceed 769	returned add'l info needed

7/13/2016 up to 75MCF per day - royalty free	Approved – no pipeline
7/13/2016 up to 75MCF per day - royalty free	Pending, NDFO still waiting for furtl

9/13/2013 For up to a year from approval	returned more info needed
9/13/2013 For up to a year from approval	returned more info needed
9/13/2013 For up to a year from approval	returned more info needed

	This is a FEE well producing from 12
	There is no federal minerals in that

	This is a FEE well producing from 12
	There is no federal minerals in that

her guidance
her guidance

014.

more info at FO
her guidance

specifics in hard file

280-acre spacing unit (Secs 15&22-T152N-R96W) and it should not be listed under CA# NDM107104 since
sapacing unit.

280-acre spacing unit (Secs 15&22-T152N-R96W) and it should not be listed under CA# NDM107104 since
sapacing unit.

e this CA covers 2560-acre spacing unit.

e this CA covers 2560-acre spacing unit.



ATTACHMENT 7



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

INVESTIGATIVE ACTIVITY REPORT

Case Number
OIOG-19-0222-I

Reporting Office
Energy Investigations Unit

Report Date
March 5, 2019

Report Subject
Telephonic Meeting with (b) (7)(C)

On March 4, 2019, Special Agents (SAs) (b) (7)(C) and (b) (7)(C), Energy Investigations Unit (EIU), Office of Inspector General (OIG), U.S. Department of the Interior (DOI), conducted a telephonic meeting with (b) (7)(C) Dickinson Field Office, Bureau of Land Management (BLM) concerning potentially falsely reported flaring by Continental Resources, Inc. (Continental), Oklahoma City, OK. The conversation was not recorded. The following narrative report is not a verbatim account of the interview, but rather a substantive summary of information provided during the meeting.

According to (b) (7)(C) natural gas flaring that occurred prior to January 17, 2017, was subject to Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases (NTL)-4A. After this date, activities were subject to either 41 Code of Federal Regulations, Subpart 3179, or its rewrite dated December 1, 2018. (b) (7)(C) explained that under the new provision emergency flaring no longer existed, though there are a number of court cases challenging the rule.

(b) (7)(C) said that a major historical challenge to flaring sundry notices in the North Dakota region was that companies submitted vague information such as "emergency flaring" without providing further explanation. (b) (7)(C) did not interpret claims for emergency flaring as legitimate when a well site was attached to a pipeline. He said it was potentially legitimate for an oil well that was not attached to a pipeline because it was not economical for the company to transport the gas.

(b) (7)(C) said the North Dakota Field Office received few sundry notices from 2012 to 2013. He explained that most of approvals of the sundry notices were "rubber stamped" prior to 2013. Oil and gas operators submitted more notices in 2014, but the largest amount of sundry notices for flaring were received in 2015 and 2016.

(b) (7)(C) said that his office was currently processing 40 test cases (20 Indian Land Leases and 20 Federal Land Leases) of potentially avoidable flaring. As of the date of this interview, the State Director's Office for the Montana/Dakotas region was reviewing the test cases. (b) (7)(C) expected that the State Director would uphold that the gas was avoidably lost. (b) (7)(C) said that the operators

Reporting Official Title
(b) (7)(C) / Special Agent

Signature
Digitally signed.

Authentication Number: 205DD3CC1AEE8F2F43E3D85B11AC4948

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OI-003 (11/17)

would likely take the decision to the Interior Board of Land Appeals (IBLA). If the IBLA granted a stay, [REDACTED] said that he would stop processing sundry notices. If the IBLA does not grant a stay, he said his office would begin processing the estimated 4,000 backlogged sundry notices beginning with the oldest from 2012 to 2014.

According to [REDACTED] there were multiple reasons why Oil and Gas Operation Reports (OGOR) received by the Office of Natural Resources Revenue (ONRR) might not match flaring amounts reported to the State of North Dakota. He said it was possible that ONRR reviewed rejected OGOR reports. [REDACTED] was also aware that Continental was holding back a large number of sundry notices until the outcome of the 40 test cases was known. A final factor was that Continental likely only reported flared amounts for the first penetrated lease while awaiting the approval of pending communitization agreements (CAs). [REDACTED] was aware of approximately 125 CAs across various companies that were awaiting approval in the North Dakota region.

(b) (7)(C) recommended that DOI OIG agents provide (b) (7)(C) with the wells and leases referred by ONRR for potential falsely reported flaring. He said (b) (7)(C) could have (b) (7)(C) review the wells and leases to determine if any associated sundry notices existed. (b) (7)(C) added that it was normally appropriate for ONRR to inform his office about instances of unreported flaring.

Contact Information:

(b) (7)(C)

Dickinson Field Office

Bureau of Land Management

(b) (7)(C)

(b) (7)(C)@blm.gov



ATTACHMENT 8



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

INVESTIGATIVE ACTIVITY REPORT

Case Number
OIOG-19-0222-I

Reporting Office
Energy Investigations Unit

Report Date
May 10, 2019

Report Subject
Telephonic Contact with (b) (7)(C)

On May 10, 2019, Special Agent (SA) Daniel Nicholas, Energy Investigations Unit (EIU), Office of Inspector General (OIG), U.S. Department of the Interior (DOI), contacted (b) (7)(C) Dickinson Field Office, Bureau of Land Management (BLM), via telephone, concerning potentially falsely reported flaring by Continental Resources, Inc. (Continental), Oklahoma City, OK. The conversation was not recorded. The following narrative report is not a verbatim account of the communication, but rather a substantive summary of information provided.

(b) (7)(C) explained that the North Dakota State Director's Office supported his office's enforcement of the 40 avoidably flared natural gas test cases. Since that decision, Oasis Petroleum Inc. (Oasis), Houston, TX, and Marathon Oil Corporation (Marathon), Houston, TX, pursued an appeal to the Interior Board of Land Appeals (IBLA). (b) (7)(C) said that Oasis and Marathon requested a continuation on their appeal so that they could gather additional information to support their case. He added that the Office of the Solicitor was monitoring the situation. (b) (7)(C) said that, based on his experience, the IBLA appeal process could take nine months to three years to issue a ruling.

(b) (7)(C) said his office and the Office of Natural Resources Revenue (ONRR) were reviewing all instances of reported flaring in the North Dakota region and making determinations on whether the instances were avoidable or not. He said his office continues to attempt to recover royalties on avoidably flared resources as each instance comes close to the seven-year statute of limitations. According to (b) (7)(C) in the next 30 days his office would be reviewing another 25 instances of flaring from 2014.

Contact Information:

(b) (7)(C)
Dickinson Field Office
Bureau of Land Management
(b) (7)(C)
(b) (7)(C)@blm.gov

Reporting Official Title
(b) (7)(C) / Special Agent

Signature
Digitally signed.

Authentication Number: DD743C693058AAB7B8CACA7E84F625D7

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ATTACHMENT 9



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

INVESTIGATIVE ACTIVITY REPORT

Case Number
OIOG-19-0222-I

Reporting Office
Energy Investigations Unit

Report Date
March 20, 2019

Report Subject
Telephonic Interview of (b) (7)(C)

On March 18, 2019, Special Agents (SAs) (b) (7)(C) and (b) (7)(C), Energy Investigations Unit (EIU), Office of Inspector General (OIG), U.S. Department of the Interior (DOI), conducted a telephonic interview of (b) (7)(C) Office of Natural Resources Revenue (ONRR), concerning potentially falsely reported flaring by Continental Resources, Inc. (Continental), Oklahoma City, OK. (b) (7)(C) agreed to the voluntary interview as well as it being recorded. The following narrative report is not a verbatim account of the interview, but rather a substantive summary of information provided during the meeting.

(b) (7)(C) said that she had been the (b) (7)(C) for the (b) (7)(C) since (b) (7)(C). Her group was responsible for all of the reference data and reporting for both the ONRR Form 2014 Remittance of Royalties and the Form 4054 Oil and Gas Operations Report (OGOR). Her group also provided guidance to industry on how to properly report royalties. (b) (7)(C) previously (b) (7)(C) the Reference and Royalty Group and had been employed by ONRR since approximately (b) (7)(C).

Avoidably and Unavoidably Flared Gas

(b) (7)(C) explained that ONRR collected royalties associated with natural gas flaring after the Bureau of Land Management (BLM) determined an instance of flaring was avoidable. BLM determines that flaring is avoidable when the oil and gas well is attached to a gas pipeline or there is another reasonable method to remove the gas from the lease site. When BLM determines a company's flaring is avoidable, ONRR assesses royalties on the flared natural gas volumes. She added that any product that leaves a lease is deemed royalty bearing unless there is a BLM decision otherwise. ONRR does not assess royalties to instances where BLM determines that the gas is unavoidably lost.

(b) (7)(C) explained that after BLM determines that gas was avoidably lost BLM notifies both ONRR and the oil and gas operator of its determination in a decision memorandum for a specific month and year. ONRR then sends the identified operator an order to report and pay royalties due and conducts a compliance review. ONRR's Compliance Management Group and Audit Management Group reviews

Reporting Official Title
(b) (7)(C) / Special Agent

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the Form 2014s and OGORs to verify that companies properly report and pay royalties on flared gas. If ONRR finds that a company did not properly report and pay royalties on flared gas volumes, then ONRR may issue an Order directing the company to adjust its reporting. If a company disagrees with an ONRR Order, ONRR regulations provide a process for the company to appeal the Order to the ONRR Director.

According to [REDACTED] operators must report all flared gas on the OGOR and identify it as royalty or non-royalty bearing. She said the amounts are listed by lease and not by individual wells.

BLM/ONRR Task Force

According to [REDACTED] ONRR is aware that BLM's North Dakota Field Office (NDFO), located in Dickinson, ND, is behind in its determinations concerning flared gas. BLM established a task force at NDFO to work the backlogged flaring applications and that she is leading ONRR's participation in the task force. ONRR provided five engineers to supplement NDFO staff as needed and they have participated in flaring and venting meetings with NDFO.

[REDACTED] said the task force is in the process of reviewing all flaring Sundry Notices received by NDFO from 2012 until present and asking the companies that submitted them to agree to toll ONRR's regulatory seven-year statute of limitations. The tolling agreements will give BLM more time to make avoidability determinations on each Sundry Notice while also preserving ONRR's ability to collect royalties on gas that BLM determines was avoidably flared as long ago as 2012. In cases where a company will not agree to toll the regulations, ONRR will Order the company to perform restructured accounting to prevent the loss of royalties due to a lapse in ONRR's seven-year statute of limitations.

According to [REDACTED] three of the 12 companies that make up 85 percent of the venting and flaring in North Dakota have already agreed to tolling agreements. She said that seven more companies have indicated they are willing sign tolling agreements but are awaiting confirmation from their senior management. After reviewing her records, [REDACTED] said that, as of the week of March 11, 2019, Continental's legal department was considering the tolling agreement.

40 Avoidably Flared Gas Cases

She said that in late November or early December 2018, BLM sent letters to operators on 20 Federal and 20 Indian oil and gas land leases concerning instances of avoidably flared gas. [REDACTED] said that ONRR was performing compliance activities on the 40 identified leases to ensure the companies report appropriately. As of the date of the interview, the 40 cases were awaiting a decision by the Acting Montana and Dakotas State Director (b) (7)(C). [REDACTED] perceived that the State Director would uphold BLM's determinations, but added that the operators would be able to appeal to the Interior Board of Land Appeals. ONRR planned to have its tolling agreements or Orders for restructured accounting issued by the end of March 2019.

Contact Information:

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