

Citation Oil & Gas Got A Bailout Even Though It Has A History Of Dodging Royalties And Dumping Crude Oil Into Rivers

Citation Oil Received A Bailout On Its Public Lands Oil And Gas Leases After It Had To Pay \$2.25 Million In Penalties For Underpaying Royalties

Citation Oil Received A Bailout On A Public Lands Oil And Gas Lease In Wyoming

BLM Has Offered A Pandemic Bailout To Public Lands Oil Producers Through Lease Suspensions And Royalty Relief. “In all, more than 1,000 applications for royalty relief or lease suspensions have flooded Western BLM state offices following Interior guidance last month that promised rapid processing during the COVID-19 pandemic, according to the documents. Interior officials have not released full information about those requests amid scrutiny of what critics have deemed a bailout to industry, prompting frustrated House Democrats to push for hard numbers.” [E&E, [05/20/20](#)]

Citation 2002 Investment Received A Lease Suspension On A 200-Acre Public Lands Oil And Gas Lease In Wyoming. The lease covers 200 acres of public land. [WYW 055076, accessed [06/09/20](#)]

- **Citation 2002 Investment Is Located At 14077 Cutten Road In Houston, Texas.** [WYW 055076, accessed [06/09/20](#)]
- **14077 Cutten Road Is The Address Of The Citation Oil And Gas.** [Citation Oil & Gas, accessed [06/09/20](#)]

Citation Oil & Gas Is One Of The Largest Privately-Held Oil Companies In The United States. “Citation Oil & Gas Corp. is one of the largest privately-held independent oil & gas acquisition, development and production companies in the United States. Founded in 1981 by Forrest E. Harrell, Sr., Citation has built a significant portfolio of mature, long-life producing properties through a combination of disciplined acquisitions, focused operations and subsequent development. Since 1985, Citation has invested \$2.1 billion in over 80 oil and gas reserve acquisitions. As a result of these acquisitions and subsequent property development, Citation now has ownership interests in approximately 15,600 wells in over 400 separately designated fields that contain over 216 million net equivalent barrels of proved reserves, and has net production of approximately 27,150 barrels of oil and 32 million cubic feet of gas per day. Citation’s reserves are 88% oil and 76% are proved developed and have a reserve life index of 18 years.” [Citation Oil & Gas, accessed [06/09/20](#)]

Citation Oil And Gas Was Forced To Pay \$2.25 Million In Penalties In 2017 After Underpaying Its Royalties On Federal Leases In Wyoming

Citation Was Assessed \$2.25 Million In Penalties Under The False Claims Act For Underpaying Royalties Owed On Its Federal Leases In Wyoming. “Citation Oil & Gas Corp.



and its affiliates, Citation 2002 Investment Limited Partnership and Citation 2004 Investment Limited Partnership (collectively, "Citation"), have agreed to pay \$2.25 million to resolve allegations under the False Claims Act that they underpaid royalties owed on natural gas produced from federal lands in Wyoming, the Justice Department announced today. Citation Oil & Gas Corp. is an oil and gas acquisition, development, and exploration company headquartered in Houston, Texas." [Department Of Justice, [12/19/17](#)]

DOJ Officials Said Citation Sought "To Take Improper Advantage Of The Federal Royalty Program At The Expense Of American Taxpayers." "'The United States allows companies to remove gas from public lands, which belong to all of us, in exchange for the full payment of royalties owed,' said Acting Assistant Attorney General Chad Readler of the Justice Department's Civil Division. 'This settlement demonstrates that the government will hold accountable those who seek to take improper advantage of the federal royalty program at the expense of American taxpayers.' [...] 'When gas companies reduce the amount of money owed to the government by taking deductions they are not entitled to, American taxpayers don't get their fair share. This settlement is a message to the entire gas industry that the government is working together to hold them accountable,' said Acting U.S. Attorney Bob Troyer for the District of Colorado." [Department Of Justice, [12/19/17](#)]

Citation Had To Pay Out \$3 Million In A Class Action Lawsuit After Ripping Private Parties Off On Royalties For Twenty Years

Citation Was The Subject Of A Class Action Lawsuit For Dodging Royalties To Oklahomans Between 1997 And 2017. "JND Class Action Administration has issued the following news release: All non-excluded owners of a Royalty Interest in Oklahoma wells with respect to whom Citation paid or incurred an obligation to pay proceeds derived from the sale of oil, gas and/or other minerals occurring from the production month of January 1997 through and including the production month of March 2017; provided that excluded from the Settlement Class are those persons and entities listed on Appendix 1 to the Settlement Agreement. The Litigation seeks damages for Defendant's alleged failure to pay statutory interest on allegedly late payments under Oklahoma law. Defendant expressly denies all allegations of wrongdoing or liability with respect to the claims and allegations in the Litigation." [JND Class Action Administration, [10/12/18](#)]

- **Citation Agreed To Pay A Settlement Fund Of \$3,000,000 To Its Private Royalty Owners.** "On September 21, 2018, the Court preliminarily approved a Settlement in which Defendant has agreed to pay Three Million Dollars (\$3,000,000.00) in cash (the 'Gross Settlement Fund'). From the Gross Settlement Fund, the Court may deduct Class Counsel's Fees and Expenses, a case contribution award, and any settlement Administration, Notice, and Distribution Costs. The remainder of the fund (the 'Net Settlement Fund') will be distributed to Final Class Members or credited to their suspense accounts as provided in the Settlement Agreement. Complete information on the benefits of the Settlement, including information on the distribution of the Net Settlement Fund, can be found in the Settlement Agreement posted on the website listed below. In exchange, Class Members will release Defendant and others identified in the



Settlement Agreement from the claims described in the Settlement Agreement." [JND Class Action Administration, [10/12/18](#); Settlement Agreement, [08/08/18](#)]

Citation "Wilfully" Lied To Government Auditors About Royalties Due In 2008 And 2014

Citation Had To Pay \$3,00,000 To Interior After It Was Caught Providing Altered Contracts To Government Auditors In 2008. "Citation Oil & Gas Corporation: Company knowingly or willfully provided altered contracts to government auditors which concealed important information and delayed audit completion." [ONRR Case CP03-049, accessed [06/09/20](#)]

Citation Had To Pay \$10,752 After Failing To Report Production On A Federal Well In 2014. "Citation Oil And Gas: Company failed to report production on one well for five production months." [ONRR Case CP12-038, accessed [06/09/20](#)]

Citation Oil Has A Lengthy Environmental Rap Sheet And Over A Million Dollars In Penalties In The Last 11 Years

Citation Was Assessed A Penalty Of \$115,000 In March 2020 After Dumping Hundreds Of Barrels Of Crude Oil Into A Tributary Of The Big Horn River

Citation Was Assessed Civil Penalty Of \$115,000 In March 2020 For Clean Water Act Violations In Park County, Wyoming. "The U.S. Environmental Protection Agency (EPA) today announced a proposed settlement with Citation Oil & Gas Corp. (Citation) of Houston, Texas, to resolve alleged violations of federal regulations intended to prevent oil pollution. The Clean Water Act violations pertain to oil spill prevention requirements and Spill Prevention, Control, and Countermeasure (SPCC) regulations at Citation's Park County, Wyoming, oil production facilities. Citation will pay a civil penalty of \$115,000 to resolve the alleged violations." [EPA Press Release, [03/28/20](#)]

- **Citation Dumped 300 Barrels Of Crude Oil And 1,000 Barrels Of Produced Water Into A Tributary Of The Big Horn River.** "This proposed settlement resulted from EPA's investigation of two spills at Citation facilities. The first spill occurred on February 9, 2016, when Citation released approximately 300 barrels of crude oil from its Embar 3 Facility into Buffalo Creek, a tributary of the Big Horn River. The second spill occurred on August 21, 2019, when Citation released approximately 1000 barrels of produced water from its North Waterflood Station into the same tributary." [EPA Press Release, [03/28/20](#)]

Citation Paid \$1,293,145 In Penalties For Environmental Violations Between 2009 And 2018

Citation Paid \$22,125 In Violations For Clean Air Act Violations At Its East Fitts Unit In Oklahoma In 2018. [EPA Civil Enforcement Case Report, [07/24/18](#)]



Citation Paid \$70,000 In Penalties In 2016 For Clean Air Act Violations Involving Sulfur Dioxide At Its Healdton Gas Plant In Oklahoma. [EPA Civil Enforcement Case Report, [10/18/16](#)]

Citation Had To Pay \$10,000 In Penalties Under The Clean Water Act For Unauthorized Discharges At Its Healdton Gas Plant In Oklahoma. "In 2015, EPA Region 6 issued an Administrative Complaint (APO) under its authority pursuant to Section 309 of the Clean Water Act (CWA) to Citation Oil & Gas Corp (Respondent), located in Carter County, Oklahoma. The APO was issued in response to violation of Section 301 of the CWA for discharging fluids high in Total Dissolved Salts to waters of the U.S. The APO proposes that Respondent pay a penalty. Respondent must respond to EPA Region 6 within thirty days of receipt of the Complaint." [EPA Civil Enforcement Case Report, [04/09/15](#)]

Citation Had To Pay \$26,000 In Clean Water Act Penalties For A Discharge Of Produced Wastewater At Its Healdton Field IV Facility In Oklahoma In 2014. "The Respondent is Citation Oil & Gas Corp. Violations were identified as the result of an inspection and a 308 Information Request response. The inspection was conducted but the Environmental Protection Agency (EPA) on June 30, 2013 at the facility located in Carter County, Oklahoma. The response to the 308 Information Request was received by the EPA on October 17, 2013, and was in reference to National Response Center incident report number 1050496. The violations alleged are for the unauthorized discharge of oil field brine and produced wastewater, to waters of the United States." [EPA Civil Enforcement Case Report, [07/08/14](#)]

Citation Had To Pay \$18,000 In Clean Water Act Violations For Discharging Produced Wastewater At Three Oklahoma Locations In 2013. "On February 11, 2013, EPA Region 6 issued an Administrative Complaint (Complaint) under its authority pursuant to Section 309 of the Clean Water Act (CWA) to Citation Oil & Gas Corp., located in Healdton, Oklahoma. The Complaint was issued in response to violation of Section 301 of the CWA for an unauthorized discharge of oil field brine and produced wastewater to a water of the U.S. The Complaint proposes that Citation Oil & Gas Corp. pay a penalty. Citation Oil & Gas Corp. must respond to EPA Region 6 within 30 days of receiving the Complaint." [EPA Civil Enforcement Case Report, [02/25/13](#)]

Citation Had To Pay \$8,000 In Clean Water Act Violations In 2011 After Dumping 20 Barrels Of Crude Oil Into A Tributary Of The Yellowstone River In Montana. "This complaint and settlement agreement is issued to citation oil and gas corporation for placing booms in the spill area and remediated spill-stained shorelines on June 11th and 12th 2009. Respondent discharged approximately 20 barrels of crude oil into its secondary containment which overflowed and allowed oil to travel approximately 2,200 feet and enter Cabin Creek a tributary to the Yellowstone River." [EPA Civil Enforcement Case Report, [09/19/11](#)]

Citation Paid A Total \$860,000 In Penalties Related To Clean Water Act Violations In Wyoming In 2009. "Citation Oil and Gas Corp. will invest approximately \$580,000 on new and upgraded spill prevention controls at its Cellers Ranch production field in Johnson County, Wyo., and pay a \$280,000 penalty to resolve the government's claims for violations of the Clean Water Act. The U.S. Environmental Protection Agency and U.S. Department of Justice



announced the agreement on January 7 under a consent decree lodged in the United States District Court for the District of Wyoming." [EPA Press Release, [01/08/09](#)]

- **Citation Dumped More Than 25,000 Gallons Of Crude, Which Made Its Way Into The North Fork Powder River In Wyoming.** "The agreement resolves a discharge of more than 25,000 gallons (597 barrels) of crude oil and produced water at Citation's Cellers Ranch Unit and inadequacies in the company's Spill Prevention Control and Countermeasure (SPCC) plan, an oil pollution prevention requirement under the Clean Water Act. On June 19, 2004, a flow line ruptured at Cellers Ranch, resulting in a spill that contaminated six miles of the North Fork Powder River and adversely impacted waterfowl and other wildlife. The spill was caused by corroded bolts on a buried coupling." [EPA Press Release, [01/08/09](#)]
- **The Spill Partially Coated The River's Bank And Harmed Wildlife And Soil.** "The spill at the Cellers Ranch field discharged 25,074 gallons of oil into nearby soils and waters, impacting wildlife, habitat and vegetation. The spill partially coated the banks of the North Fork Powder River and soaked at least eighteen Canada Geese, one Mallard duck and several beaver." [EPA Press Release, [01/08/09](#)]