



U.S. Department of Justice
United States Attorney
Eastern District of Arkansas

425 West Capitol Avenue, Suite 500
Post Office Box 1229
Little Rock, Arkansas 72203-1229

(501) 340-2600

FOR IMMEDIATE RELEASE
September 1, 2015
501-340-2600

CONTACT: Christopher R. Thyer
United States Attorney

**UNITED STATES SETTLES MINERAL TRESPASS CLAIMS
AGAINST SWN PRODUCTION (ARKANSAS), LLC f/k/a SEECO, INC.**

LITTLE ROCK—Christopher R. Thyer, United States Attorney for the Eastern District of Arkansas announced today that SWN Production (Arkansas), LLC f/k/a SEECO, Inc., of Texas (collectively “SEECO”) has agreed to pay the United States \$950,000 to resolve civil claims against SEECO related to mineral trespass. According to the executed agreement, SEECO must remit full payment within 45 days.

The Southeastern States Field Office of the Bureau of Land Management (BLM) routinely reviews data regarding existing natural gas wells to assess whether the wells are impacting federally owned minerals. In July 2009, BLM developed information indicating a natural gas well operated by SEECO drilled into unleased federally owned minerals located in Conway and Van Buren Counties, Arkansas.

A joint investigation by the United States Department of the Interior Office of the Inspector General and the BLM Special Investigations Group confirmed that SEECO spud (began drilling) the Salinas, Reyes 09-15 #2-20H (“Salinas”) well on January 4, 2008, in Conway County, and began production on April 8, 2008. Accordingly, from January 4, 2008, to December 3, 2009, the United States contends that SEECO trespassed into federal minerals for the purpose of obtaining minerals for private gain from the Salinas well. Furthermore, SEECO spud the Griggs 11-15 1-26H (“Griggs”) well on November 3, 2009, in Van Buren County, and production began on the Griggs well February 6, 2010. The United States contends that from November 3, 2009, to April 21, 2010, SEECO trespassed into federal minerals for the purpose of obtaining minerals for private gain from the Griggs well.

SEECO produced and sold federally owned natural gas from the wells valued at \$950,000. SEECO has fully cooperated with the United States in its civil investigation of this incident.

“This office is committed to protecting and preserving the sanctity of the United States’ natural resources and deterring future violations,” Thyer said.

“This civil settlement should remind the oil and gas industry that the Department of the Interior is monitoring federally owned mineral interests, and that the Department of Justice will hold companies responsible if they trespass,” Matthew Elliott, Assistant Inspector General for Investigations, Office of Inspector General, U.S. Department of the Interior, said. “I would also like to thank BLM’s Special Investigations Group for referring this matter to us and assisting in our investigation, and Assistant United States Attorney Shannon Smith for her dedicated work to bring this matter to fruition.”

The investigation was led by Special Agent, Richard Larrabee, United States Department of the Interior Office of Inspector General, Energy Investigations Unit. Assistant United States Attorney Shannon S. Smith handled the matter for the United States.

#