

Chapter 1

About This Handbook

The Office of Natural Resources Revenue (ONRR), within the U.S. Department of the Interior (DOI), is responsible for collecting, accounting for, and disbursing royalty payments on minerals produced from Federal and Indian lands. ONRR's comprehensive financial accounting system monitors information received from reporters on lease/agreement production and disposition activity.

This handbook is a reference document for all Federal and Indian oil and gas lease/agreement operators (onshore and offshore) and facility/measurement point (FMP) operators responsible for reporting minerals operations information to ONRR. All oil and gas operators/reporters are required to report production information electronically on the Oil and Gas Operations Report (OGOR).

1.1 Naming Conventions

The following naming conventions are used in this handbook:

- The terms “lease” and/or “agreement” may refer to any of the following: a lease, unit, agreement, or communitization agreement.
- The terms “operator,” and “designated operator” are used interchangeably.
- The terms “drip” and “pipeline condensate” are used interchangeably.
- The terms “Bureau of Ocean Energy Management” (BOEM) and “Bureau of Safety and Environmental Enforcement” (BSEE) are used, as appropriate.

1.2 Handbook Outline

The following topics are in this handbook:

Chapter 2 – Reporting Requirements – explains the production reporting process, the role of the financial accounting system in production reporting, who must report to the financial accounting system, when to begin reporting, what reports to file and how they relate to each other, when reports are due, methods of reporting, error detection and correction, record retention requirements, and liquid verification system (LVS) and gas verification system GVS).

Chapter 3 – Electronic Reporting – discusses the requirements for electronic reporting.

Chapter 4 – How to Interpret Reference Information Reports – provides examples of the WELL document (WELL) and Facility/Measurement Point (FMP) confirmation reports and describes each field on the reports.

Chapter 5 – How to Complete the OGOR – includes an overview of the OGOR, Form ONRR-4054, Parts A, B, and C, and provides field-by-field form instructions and completed OGOR examples.

Chapter 6 – How to Complete the PASR – provides field-by-field form instructions and completed examples of the Production Allocation Schedule Report (PASR), Form ONRR-4058.

Chapter 7 – Liquid and Gas Verification Systems – provides information about the purpose of the Liquid Verification System (LVS) and Gas Verification System (GVS) and responsibilities and processes used to work LVS/GVS exceptions identified by ONRR.

Appendices A through L – contain important information and assigned numbers and codes that must be used in order to complete the reports. **Appendix M** explains the symbols used in the schematics in this handbook. **Appendix N is reserved for future use**, and **Appendix O** contains contact information.

1.3 Regulatory Authority

The regulatory authority for the financial accounting system of oil and gas reporting is published in the following documents:

- Mineral Leasing Act of February 25, 1920
- Outer Continental Shelf (OCS) Lands Act, as amended
- Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA)
- Royalty Simplification and Fairness Act of 1996 (RSFA)
- Title 30, *Code of Federal Regulations* (CFR) Part 1210

Lease terms provide further legal requirements specific to each lease.

The reporting requirements in this handbook reflect the requirements of FOGRMA and the current CFR regulations applicable to oil and gas reporting.

1.4 **Distribution**

ONRR is responsible for making reporter handbooks available. Reporters can view and print this handbook, or portions thereof, from our Web site, at <http://www.onrr.gov/ReportPay/Handbooks/default.htm>. The on-line handbook is organized on a series of tabs, in content order, that contain printable pdf files.

1.5 **Maintenance**

Whenever reporting requirement changes occur, ONRR will issue a “Reporter Letter,” which may supersede information in this handbook. A searchable data base of Reporter Letters is located at <http://www.onrr.gov/DearRep.htm>.

ONRR recommends keeping superseded releases of ONRR handbooks for use in future reviews of transactions that occurred and were reported while those releases were in effect.