



April 17, 2017

Ms. Amy Holley  
Acting Assistant Secretary for Policy, Management and Budget  
U.S. Department of Interior  
Washington, DC

Re: **Request for Extension of Comment Period for the *Federal Oil and Gas and Federal and Indian Coal Valuation* Advanced Notice of Proposed Rulemaking, 82 Fed. Reg. 16325 (April 4, 2017)**

**Submitted via Email and Regulations.gov**

Dear Ms. Holley:

The American Petroleum Institute (“API”) and the Council of Petroleum Accountants Societies (“COPAS”) respectfully request a 60-day extension of the period provided for public comments on the Office of Natural Resource Revenue’s (“ONRR”) advanced notice of proposed rulemaking on whether revisions to its valuation regulations for Federal oil and gas and Federal and Indian coal production are needed. 82 Fed. Reg. 16325 (April 4, 2017) (the “ANPRM”).

API represents over 625 oil and natural gas companies, leaders of a technology-driven industry that supplies most of America’s energy, supports more than 9.8 million jobs and 8 percent of the U.S. economy, and, since 2000, has invested nearly \$2 trillion in U.S. capital projects to advance all forms of energy, including alternatives. The industry has paid more than 150 billion dollars in royalty revenues to the federal treasury.

COPAS is a professional organization comprised of the oil and gas industry’s most knowledgeable and influential accounting professionals. COPAS has operated as a non-profit entity for 50 years and has over 4,000 members with 24 societies in the United States and Canada. The societies have developed standardized documents in areas such as joint interest accounting, auditing, production volume and revenue accounting, and financial reporting and tax matters. Additionally, many COPAS members are responsible for the filing of the Federal royalty reports to the ONRR.

API and COPAS member companies are committed to continued compliance with royalty regulations consistent with the mineral leasing statutes. Although our members had significant issues with the 2017 Valuation Rule<sup>1</sup>, we support ONRR’s intended goals, as stated in the ANPRM federal register notice, to:

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<sup>1</sup> See Consolidated Federal Oil & Gas and Federal & Indian Coal Valuation Reform, 81 Fed. Reg. 43,338 (July 1, 2016) (the “2017 Valuation Rule”).



- Provide clear regulations that are understandable and consistent with fulfilling the Secretary's responsibility to ensure fair value for the public's resources,
- Provide valuation methods that are as efficient as practicable for lessees to use, and
- Provide early certainty that correct payment has been made.

We want to work with ONRR to ensure that the agency's regulations achieve these goals.

ONRR's advanced notice of proposed rulemaking seeks substantive and well-reasoned comments on whether revisions to the regulations governing royalty valuation for Federal oil and gas and Federal and Indian coal are needed considering two possible scenarios – one where the 2017 Valuation Rule is repealed and one where it is not. This topic is very complex and requires members to review and consider both the 2017 Valuation Rule as well as the regulations that existed prior to the 2017 Valuation Rule. Any regulatory changes – whether to the 2017 Valuation Rule or to preexisting rules – could significantly impact American energy development. Considering the complexity and significance of the royalty valuation regulations, the 30-day comment period that ONRR has provided is insufficient for meaningful public comment. Therefore, we respectfully request that the comment period be extended an additional 60 days – to Monday, July 3, 2017 – so that the public, including interested companies and industry, can properly and adequately respond to the agency's request for comments.

We also strongly encourage the Agency to consider presenting this issue, as well as all public comments received through the ANPRM process, to the newly established Royalty Policy Committee (RPC) Federal Advisory Committee for their counsel as the input and advice ONRR is seeking seems to fall squarely within this Committee's scope of work. As the RPC is currently seeking nominations and is in the process of being set up, an additional 60-days comment period on the ANPRM will not create a significant delay of process in this matter for the Agency.

We appreciate ONRR's prompt attention in this matter. Please accept this request on behalf of our members and please contact us if additional information is needed.

Sincerely,

A handwritten signature in black ink that reads "Emily Hague".

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Emily Hague  
Senior Policy Advisor  
Industry and Upstream Operations  
American Petroleum Institute  
202-682-8260

A handwritten signature in black ink that reads "Trey Thee".

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Trey Thee  
Revenue Committee Chairperson  
Council of Petroleum Accountants Societies  
918-877-0792