

Appendix F

Adjustment Reason Codes

NOTE

ONRR has eliminated many previously valid adjustment reason codes. After October 1, 2001, you can report adjustment reason codes for oil and gas leases 10, 15, 16, 17, 25, 32, 35, 49, (71, 72 for interest), and for geothermal leases 25, 26 and 31.

Use these codes to correct previous transactions on Form ONRR-2014.

Code	Name	Use to . . .
10	Adjustment	Make an adjustment that does not require a unique adjustment reason code. Use code 10 whether the adjustment results in an increase or decrease to royalties.
15	Marginal property true-up	Report the adjustment from take volume to entitled volume for qualified marginal properties.
16	Major portion/dual accounting (post 1/1/2000)	Report the adjustment to the published major portion price and/or dual accounting for Indian gas production, effective for 01/2000 sales forward. Adjustment reason code 16 is applicable only for Indian gas reporting where the Indian lease is located in non-index zones.
17	ONRR-initiated compliance adjustment	Report entries resulting from a compliance review. Any exceptions to this must be approved by ONRR.
25	Netback costs true-up (geothermal leases only)	Report previous deduction period's adjusted netback values using actual capital costs and operating and maintenance expenses for geothermal resources using netback valuation only.

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Code	Name	Use to . . .
26	Change valuation method (geothermal leases only)	Report adjusted resource/production values for prior periods as a result of a retroactive change in valuation method approved by ONRR for geothermal resources only.
31	Retroactive mandatory price adjustment (geothermal leases only)	Report adjusted resource/production values for prior periods as a result of retroactive price adjustments by the purchaser or other pricing authority; for geothermal resources only.
32.	Estimate adjustment	Increase or decrease an estimated royalty payment balance.
35	Unit participating area/communitization agreement adjustment	Adjust volumes and values required as a result of the formation, expansion, contraction, or termination of a unit PA or CA.
49	Index zone/dual accounting price adjustment (post 1/1/2000 sales months only)	Report adjustments to the index price and/or for dual accounting for gas production from an Indian lease located in an index zone.
71	Estimate underpayment/overpayment interest	Identify payor-calculated interest related to insufficient or oversufficient estimate values.
72	Audit underpayment/overpayment interest	Identify payor-calculated interest related to an audit.