Chapter 10
How to Complete the Form ONRR-2014 *(Special Circumstances Only)*

Although the P&R (Form ONRR-4430) is the primary reporting tool for solid minerals reporters, there are instances when a reporter must use the Form ONRR-2014. Those instances include:

- Reporting missed pre-populated lease-level obligations

- Reporting lease-level obligations for leases not associated to a mine

- Reporting adjustments prior to August 2001.

This chapter shows you how to complete the Report of Sales and Royalty Remittance, Form ONRR-2014, using field-by-field explanations.
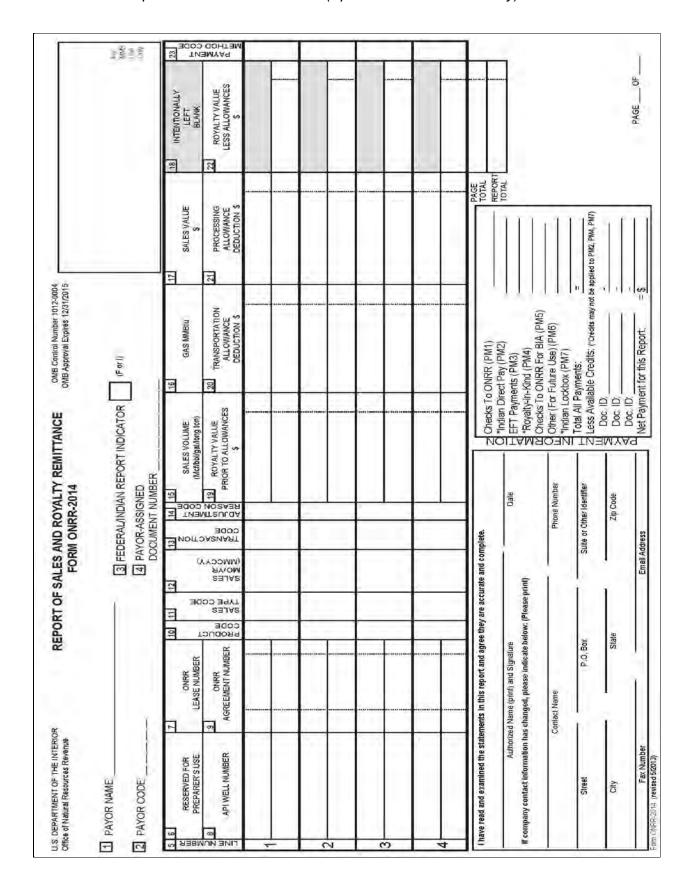
10.1 Example Form ONRR-2014

NOTE | *Do not* combine information for Federal and Indian leases, or multiple payor codes, on the same report. Each of these requires a separate Form ONRR-2014.

With few exceptions, you must report electronically (see 30 CFR 1210). If you report by paper Form ONRR-2014, the data you enter on the printed form must be either typed or printed legibly in black ink.

Following is an example of the paper Form ONRR-2014.

REPORT OF SALES AND ROYALTY REMITTANCE
FORM ONRR-2014

U.S. DEPARTMENT OF THE INTERIOR
Office of Natural Resources Revenue

OMB Control Number 1012-0004
OMB Approval Expires 12/31/2015

Form ONRR-2014 (revised 5/2013)

10.2 Field Information

The following information explains the header, line item, and trailer fields of Form ONRR-2014.

10.2.1 Header Fields

For electronic reporting, see Chapter 8.

If you report on the paper Form ONRR-2014, complete all header fields on the first page only. On subsequent pages, fill in only the Payor Name, Payor Code, and Page _____ of _____ fields.

Instructions for completing header fields are the same regardless of the transaction you are reporting.

Field Number	Field Name	Field Entry Information
1	Payor Name	Your company name
2	Payor Code	A five-digit payor code that ONRR assigned to you. Payor codes for solid minerals leases begin with MA. ONRR uses this code in numerous business processes and associates it with the company/individual name and address information maintained in the ONRR system. The payor code must match the payor code on your payment document. Form ONRR-2014 is attributed to the payor code stored in the ONRR data base regardless of the payor name entered in field 1. **How do I obtain a payor code?** Contact ONRR to request a payor code. (For contact information, see Appendix A.)
3	Federal/Indian Report Indicator	**F** identifies the Federal lease report indicator. **I** identifies the Indian lease report indicator. Submit separate Form ONRR-2014s for Federal and Indian leases.
4	Payor-Assigned Document Number	An eight-number identifier chosen by the payor. For example, if you submit two Forms ONRR-2014 for the October 2012 report month, the PAD numbers for the two reports could be 20121001 and 20121002 (year, month, and document number). This number must be unique, and you must use it for only report and payment document unless you combine multiple reports. The same PAD number must be included on the accompanying payment document, including payments made to lockboxes.

Field Number	Field Name	Field Entry Information
	Page ___ of ___	For paper Form ONRR-2014, use this field to sequentially number report pages and provide the total number of pages in the report. Complete both parts of this field so we can verify that all report pages are received and processed.

10.2.2   *Line Item Reporting Fields*

The following table contains information to assist you in filling out line item field information on Form ONRR-2014.

Field Number	Field Name	Field Entry Information
5	Line Number	A line number corresponds to both upper and lower fields. For example, Line Number 1 contains (upper) field 6, Reserved for Preparer's Use, and (lower) field 8, API (American Petroleum Institute) Well Number. **For paper reporting, l**ines are preprinted in field 5.
6	Reserved for Preparer's Use	An optional field that can contain up to 20 characters.
7	ONRR Lease Number	The ONRR lease number must be a valid ONRR-converted lease number.
8	API Well Number	Not applicable
9	ONRR Agreement Number	Not applicable
10	Product Code	A two-digit code established to ONRR to identify the product sold or removed from the lease or from the lease-agreement combination. For a list of product codes, see Appendix D. Leave the field blank for lease-level transactions, such as rental, minimum royalty, rent recoupment, or estimated royalty payments.
11	Sales Type Codes	We require separate lines of royalty detail based on the nature of the sale. Report the disposition of production by the contract type. Leave the field blank for lease-level transactions, such as rental, minimum royalty, rent recoupment, or estimated royalty payments. For additional guidance, see Appendix A for contact information.

Field Number	Field Name	Field Entry Information
12	Sales MO/YR (MMCCYY)	A six-digit number corresponding to the month, century, and year in MMCCYY format, for example, enter 102012 for October 2012. Use the following definitions of sales month/year when you report on Form ONRR-2014. **Royalties:** The month/year the product was sold or removed from the lease. **Rentals:** The month/year the rental is due; for example, a rental due date of December 1, 2012, corresponding to a lease year that runs from December 1, 2012, through November 30, 2013, is reported as 122012. A rental due date of March 15, 2013, corresponding to a lease year running from March 15, 2013, through March 14, 2014, is reported with a sales month/year of 032013. **Minimum royalties:** The last month/year of the lease year that your minimum royalty obligation is due. A lease year running from December 1, 2012, through November 30, 2013, has a minimum royalty due date of November 30, 2013, and is reported with a sales month year of 112013.
13	Transaction Code	The two-digit code that describes the reported transaction. The transaction code is required on all lines and determines which fields on the line must be completed. For a list of transaction codes, see Appendix E.
14	Adjustment Reason Code	A two-digit code that identifies the reason for the adjustment For a list of adjustment reason codes, see Appendix F.
15	Sales Volume	The volume of product that is sold or removed from the lease and is attributable to the lease or to the lease-agreement combination, sales type code, product code, and sales month you report.
16	Gas MMBtu	Not Applicable
17	Sales Value	Enter the total value of sales (Sales Quantity multiplied by the unit value. Do not deduct allowances from this value. You do not have to fill in this field if you are reporting on cents-per-ton (non-ad valorem) lease.
18	Intentionally Left Blank	Do not use this field

Field Number	Field Name	Field Entry Information
19	Royalty Value Prior to Allowances	This is an optional field that may be completed or left blank. The result of the sales value multiplied by the royalty. **NOTE** *It is critical that you use the correct royalty rate when calculating your payment to ONRR. The lease royalty rate is specified in your lease terms.*
20	Transportation Allowance	A deduction from royalty due for the reasonable, actual costs of transporting production from the lease to a sales point or point of value determination off the lease. ONRR encourages you to report your transportation allowance deduction as part of your royalty transaction.
21	Processing Allowance	ONRR encourages you to report your processing allowance deduction as part of your royalty transaction.
22	Royalty Value Less Allowances	Royalty value after you deduct transportation and/or processing allowances.
23	Payment Method Code	A one-digit code identifying how and to whom you make the payment. This is the amount of payment due ONRR. For a list of payment method codes, see Appendix B.

10.2.3

Trailer Fields

For paper reporting, complete the Payment Information fields of the trailer section on only the first page of a multipage report.

Checks to ONRR (PM1)	14754.25
*Indian Direct Pay (PM2)	
EFT Payments (PM3)	
*Royalty In Kind (PM4)	
Checks To ONRR For BIA	
(PM5) Other (For Future Use)	
(PM6)	
*Indian Lockbox (PM7)	
Total All Payments:	= 14754.25
Less Available Credits: (*Checks my not be applied to PM2, PM4, PM7)	
Doc. ID: INT 12345	- 1000.00
Doc. ID:	-
Doc. ID:	-
Net Payment for this Report:	= 13754.25

NOTE   *ONRR does not accept cash payments under any circumstances.*

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Field Name	Field Entry Information
Page Total	If you report on paper Form ONRR-2014, enter the dollar amount reported on each page.
Report Total	If you report on paper Form ONRR-2014, enter the dollar amount of the total for all page totals included in a single report. Enter this amount on the first page only of a multi-page report. For paper reporting, the report total must agree with the amount entered on the Total All Payments line in the Payment Information field.
Payment Information field: Checks to ONRR (PM1)	Use PM1 when you pay by check on a Federal lease. Include the following information on your check: • DOI—ONRR • Your five-digit payor code • Your eight-digit PAD number Send your payment to the appropriate address listed in Appendix A
Payment Information field: Indian Direct Pay (PM2)	Use PM2 when authorized by BIA or the tribe and ONRR.
Payment Information field: EFT Payments (PM3)	Use PM3 if you report Federal and/or Indian leases that are paid by EFT to ONRR. **NOTE** *For additional information on payment options, see 30 CFR 1218.*
Payment Information field: Total All Payments	The total dollar value of all payments must match the amount in the Report Total field.
Payment Information field: Net Payment for this Report	The total dollar value of all payments must match the amount in the Report Total field.
Authorized Name, Signature, and Date	For paper reporting, an original signature of the company official authorizing the report and the date.
	NOTE *ONRR requires the following information if you are reporting on Form ONRR-2014 for the first time, or if you have a change in the information. Otherwise, enter only the authorized name, signature, and date.*
Contact Name/ Phone Number	The name and office telephone number of the person who is designated as the company contact.

| 10.3 | # How to Report and Pay Lease Level Transactions |

| 10.3.1 | ### *Transaction Code 04, Rental Payment* |

Use this transaction code to report and pay rent payments that are not recoupable against production. The amount of rent due is stipulated in your lease terms and is, except in some circumstances, due on or before the lease anniversary date.

For producing Indian leases, the rent is reported on Form ONRR-2014. Producing Indian leases are defined as those leases receiving actual or allocated production. For nonproducing Indian leases, the rents are paid to BIA or to the entity stipulated in the lease document.

The following descriptions are for fields you use on Form ONRR-2014 for transaction code **04**.

Field	Description
ONRR Lease Number	Enter the ONRR-converted 10-digit lease number
API Well Number	Not used
ONRR Agreement Number	Not used
Product Code	Not used
Sales Type Code	Not used
Sales Month/Year	Enter the month/year the rent is due. Use the MMCCYY format; for example, enter October 2014 as 102014.
Transaction Code	Enter **04**.
Adjustment Reason Code	Leave this field blank for normal monthly reporting. You must complete this field only when adjusting previously reported data. For a list of adjustment reason codes, see Appendix F.
Sales Volume	Not used
Gas MMBtu	Not used
Sales Value	Not used
Royalty Value Prior to Allowances	Enter the rent amount due.
Transportation Allowance Deduction	Not used

Field	Description
Processing Allowance Deduction	Not used
Royalty Value Less Allowances	Enter the rent amount due.
Payment Method Code	Enter the appropriate payment method code. For a list of payment methods, see Appendix B.

EXAMPLE

Transaction code 04. The following example shows how to report and pay non-recoupable rent.

Assumptions:

- The current report month is September 2015.

- The ONRR-converted lease number is M72-123123-0.

- The lease anniversary date is October 1.

- The lease specifies an annual non-recoupable rental payment of $3/acre for 600 acres.

- You pay by check to ONRR.

Information reported on Form ONRR-2014 is shown on the following fact sheet.

Form ONRR 2014 Fact Sheet

	Detail Line
Line Number	1
API Well Number	
ONRR Lease Number	M721231230
ONRR Agreement Number	
Product Code	
Sales Type Code	
Sales MO/YR	102014
Transaction Code	04
Adjustment Reason Code	
Sales Volume	
Gas MMBtu	
Sales Value	
Royalty Value Prior to Allowances	1800.00
Transportation Allowance Deduction	
Processing Allowance Deduction	
Royalty Value Less Allowances	1800.00
Payment Method Code	01

10.3.2

Transaction Code 05, Advance Rental Credit

Use this transaction code to report and pay rent payments that are recoupable against production on Federal and Indian leases

You must report and pay the rent even if you anticipate that the rent will be recouped during the first month of the lease year.

The following descriptions are for fields you use on Form ONRR-2014 for transaction code **05**.

Field	Description
ONRR Lease Number	Enter the ONRR-converted 10-digit lease number
API Well Number	Not used
ONRR Agreement Number	Not used
Product Code	Not used
Sales Type Code	Not used
Sales Month/Year	Enter the month/year the rent is due. Use the MMCCYY format; for example, enter October 2014 as 102014.
Transaction Code	Enter **05**.
Adjustment Reason Code	Leave this field blank for normal monthly reporting. You must complete this field only when adjusting previously reported data.
Sales Volume	Not used
Gas MMBtu	Not used
Sales Value	Not used
Royalty Value Prior to Allowances	Enter the rent amount due
Transportation Allowance Deduction	Not used
Processing Allowance Deduction	Not used
Royalty Value Less Allowances	Enter the rent amount due.
Payment Method Code	Enter the appropriate payment method code. For a list of payment methods, see Appendix G.

EXAMPLE

Transaction code 05. The following example shows how to report and pay recoupable rent on Form ONRR-2014.

Assumptions:

- The current report month is September 2015.

- The ONRR-converted lease number is M72-123123-0.

- The lease anniversary date is October 1.

- The lease specifies an annual recoupable rental payment of $3/acre for 600 acres.

- You pay by check to ONRR.

Information reported on Form ONRR-2014 is shown on the following fact sheet.

Form ONRR 2014 Fact Sheet

	Detail Line
Line Number	**1**
API Well Number	
ONRR Lease Number	M721231230
ONRR Agreement Number	
Product Code	
Sales Type Code	
Sales MO/YR	102014
Transaction Code	**05**
Adjustment Reason Code	
Sales Volume	
Gas MMBtu	
Sales Value	
Royalty Value Prior to Allowances	1800.00
Transportation Allowance Deduction	
Processing Allowance Deduction	
Royalty Value Less Allowances	1800.00
Payment Method Code	01

10.3.3   *Transaction Code 25, Recouping Advance Rental Credit*

Most Indian lease terms, and some Federal lease terms, require a rent payment on producing leases at the beginning of the lease year. When you report and pay monthly royalties, you can recoup these rent payments against net royalties reported and paid for the lease in the same year. One hundred percent of the current month's net royalties reported may be offset against the rent payment within the same lease year, subject to no more than the rent payment.

If you fail to recoup prior year rents on Indian leases, these rents are considered an overpayment requiring the use of transaction codes 25, 50, and 51.

Report the advance rental credit to ONRR by using transaction code 05. Frequently, payors make their rent payments several months in advance of the actual due date. If you do this, you must remember that you cannot recoup rent payments until you report and pay royalties within the lease year that the rent applies.

If, at the end of the lease year, the royalty amount you paid is less than the initial rent payment amount, you cannot recoup the remaining rent balance against royalties in future lease years.

The following descriptions are for fields you use on Form ONRR-2014 for transaction code **25**.

Field	Description
ONRR Lease Number	Enter the ONRR-converted 10-digit lease number
API Well Number	Not used
ONRR Agreement Number	Not used
Product Code	Not used
Sales Type Code	Not used
Sales Month/Year	Enter the month/year the rent is due. Use the MMCCYY format; for example, enter October 2014 as 102014.
Transaction Code	Enter **25**.
Adjustment Reason Code	Leave this field blank for normal monthly reporting. You must complete this field only when adjusting previously reported data.
Sales Volume	Not used
Gas MMBtu	Not used
Sales Value	Not used

Field	Description
Royalty Value Prior to Allowances	Enter the rent amount due
Transportation Allowance Deduction	Not used
Processing Allowance Deduction	Not used
Royalty Value Less Allowances	Enter the rent amount due.
Payment Method Code	Enter the appropriate payment method code. For a list of payment methods, see Appendix G.

EXAMPLE

Transaction code 25.   The following example shows how to report a typical rental recoupment on an Indian lease.

Assumptions:

- You paid the rent amount of $1800.00 in October 2014 for the current lease year (transaction code 05).

- A recoupable rental balance of $1800.00 remains on the lease.

- The ONRR-converted lease number is M72-123123-0.

- You sold the product during November 2014.

- The product is raw bituminous coal, product code ED.

- The company sold 2,000 tons of coal at $20/ton.

- The royalty rate is 12 1/2 percent.

- You pay by check to ONRR.

Information reported on Form ONRR-2014 is shown on the following fact sheet.

Form ONRR 2014 Fact Sheet

Detail Line		
Line Number	**1**	**2**
API Well Number		
ONRR Lease Number	M721231230	M721231230
ONRR Agreement Number		
Product Code	01	
Sales Type Code	ARM	
Sales MO/YR	112014	102014
Transaction Code	01	25
Adjustment Reason Code		
Sales Volume	2000.00	
Gas MMBtu		
Sales Value	40000.00	
Royalty Value Prior to Allowances	5000.00	-1800.00
Transportation Allowance Deduction		
Processing Allowance Deduction		
Royalty Value Less Allowances	5000.00	-1800.00
Payment Method Code	01	01

10.4 | Minimum Royalty

This section provides instructions and examples for transaction codes **02** and **52**.

10.4.1 | *Transaction Code 02, Minimum Royalty Payment*

Some producing Federal and Indian leases require you to pay a minimum amount of royalty each lease year. The amount of minimum royalty is usually determined by the producing acreage in the lease multiplied by a fee per acre (for example, $2 per acre) and is in addition to any other fees required under regulation or lease terms. You can satisfy the minimum royalty obligation in three ways:

- Royalties paid on production throughout the lease year are equal to or exceed the minimum royalty amount;

- Royalties paid on production throughout the lease year are less than the minimum royalty obligation, and you pay and report the difference as a separate minimum royalty transaction; or

- There are no royalties paid on production throughout the lease year, so you report and pay the full amount of the minimum royalty obligation.

You must submit minimum royalty payments for Federal or Indian leases on Form ONRR-2014 on or before the last day of the month of the lease year regardless of whether you established an estimated payment on the lease. If minimum royalty is not met, we will issue an invoice for the amount due. Interest will be assessed for the late payment.

The following descriptions are for fields you use on Form ONRR-2014 for transaction code **02**.

Field	Description
ONRR Lease Number	Enter the ONRR-converted 10-digit lease number
API Well Number	Not used
ONRR Agreement Number	Not used
Product Code	Not used
Sales Type Code	Not used
Sales Month/Year	Enter the month/year the minimum royalty payment is due. Use the MMCCYY format; for example, enter September 2014 as 092014.
Transaction Code	Enter **02**.
Sales Volume	Not used
Gas MMBtu	Not used

Field	Description
Sales Value	Not used
Royalty Value Prior to Allowances	This is an optional field that may be completed or left blank. Enter the amount of minimum royalty due.
Transportation Allowance Deduction	Not used
Processing Allowance Deduction	Not used
Royalty Value Less Allowances	Enter the amount of minimum royalty due.
Payment Method Code	Enter the appropriate payment method code. For a list of payment methods, see Appendix B.

EXAMPLE

Transaction code 02. The following example shows how to report and pay minimum royalties.

Assumptions:

- The annual minimum royalty requirement is $1,000.00/year based on lease acreage of 500 acres at $2.00/acre.

- The ONRR-converted lease number is M72-123123-0.

- The lease year is from October 1, 2013, through September 30, 2014.

- You paid $0.00 in royalties for this lease year; therefore, $1,000 is due in minimum royalties.

- You pay by EFT to ONRR.

The information reported on Form ONRR-2014 is shown on the following fact sheet.

Form ONRR 2014 Fact Sheet

Detail Line

Line Number	1
API Well Number	
ONRR Lease Number	M721231230
ONRR Agreement Number	
Product Code	
Sales Type Code	
Sales MO/YR	092014
Transaction Code	02
Adjustment Reason Code	
Sales Volume	
Gas MMBtu	
Sales Value	
Royalty Value Prior to Allowances	1000.00
Transportation Allowance Deduction	
Processing Allowance Deduction	
Royalty Value Less Allowances	1000.00
Payment Method Code	03

10.4.2 | ## *Transaction Code 52, Recoup Minimum Royalty Paid in Advance*

Use this transaction code to report a recoupment of a previously paid minimum royalty payable in advance for certain Indian leases. Review the lease terms to determine if your lease is subject to advance minimum royalty. If lease terms permit, you can recoup against net royalties reported and paid, by lease, within the same lease year and by the same royalty payor. One hundred percent of the current month's net royalties that you report may be used to offset the advance minimum royalty payment, subject to no more than the minimum royalty payment.

If you fail to recoup prior year minimum royalty payable in advance on Indian leases, the minimum royalty payable in advance is considered an overpayment requiring the use of transaction codes 52, 50, and 51.

Report the annual advance minimum royalty to ONRR by using transaction code 02. Frequently, payors make their minimum royalty payable in advance

several months prior to the actual due date. If you do this, you must remember that you cannot recoup the advance minimum royalty until you report and pay royalties within the lease year that the royalty payable in advance applies.

If, at the end of the lease year, the royalty amount you paid is less than the minimum royalty payable in advance amount, you cannot recoup the remaining balance against royalties in future lease years.

The following descriptions are for fields you use on Form ONRR-2014 for transaction code **52**.

Field	Description
ONRR Lease Number	Enter the ONRR-converted 10-digit lease number
API Well Number	Not used
ONRR Agreement Number	Not used
Product Code	Not used
Sales Type Code	Not used
Sales Month/Year	Enter the same sales month/year reported on the corresponding royalty transaction line that you are recouping against. Use the MMCCYY format; for example, enter October 2014 as 102014.
Transaction Code	Enter **52**.
Adjustment Reason Code	Leave this field blank for normal monthly reporting. You must complete this field only when adjusting previously reported data. For a list of adjustment reason codes, see Appendix F.
Sales Volume	Not used
Gas MMBtu	Not used
Sales Value	Not used
Royalty Value Prior to Allowances	Enter the appropriate minimum royalty payable in advance recoupment amount as a negative value.
Transportation Allowance Deduction	Not used
Processing Allowance Deduction	Not used
Royalty Value Less Allowances	Enter the appropriate minimum royalty payable in advance recoupment amount as a negative value.
Payment Method Code	Enter the same payment method reported on the corresponding royalty transaction line that you are recouping against. For a list of payment method codes, see Appendix B.

> **EXAMPLE**
>
> **Transaction code 52.** The following example shows how to recoup advance minimum royalty on an Indian lease.
>
> **Assumptions:**
>
> - You paid advance minimum royalties of $1,000.00 in May 2014 for the current lease year (transaction code 02).
>
> - A recoupable balance of $500.00 remains on the lease.
>
> - The ONRR-converted lease number is M72-123123-0.
>
> - You sold the product during November 2014.
>
> - The product is raw bituminous coal, product code ED.
>
> - The company sold 2,000 tons of coal at $20/ton.
>
> - The royalty rate is 12 1/2 percent.
>
> - You pay by EFT to ONRR.
>
> The information reported on Form ONRR-2014 is shown on the following fact sheet.

Form ONRR 2014 Fact Sheet

Detail Line

Line Number	1	2
API Well Number		
ONRR Lease Number	M72123123	M721231230
ONRR Agreement Number		
Product Code	01	
Sales Type Code	ARM	
Sales MO/YR	112014	052014
Transaction Code	01	52
Adjustment Reason Code		
Sales Volume	2000.0	
Gas MMBtu		
Sales Value	40000.00	
Royalty Value Prior to Allowances	5000.00	-500.00
Transportation Allowance Deduction		
Processing Allowance Deduction		
Royalty Value Less Allowances	5000.00	-500.00
Payment Method Code	03	03

| 10.5 | # Advance Royalty Recoupment |

This section provides instructions and examples for transaction code 33.

| 10.5.1 | ### *Transaction Code 33, Recoup Advance Royalty* |

For Federal coal leases, you may request BLM to approve payment of advance royalties in lieu of continued operation production requirements. BLM will notify ONRR of approvals and will supply us with the information we require to calculate total advance royalty payments.

Most coal leases with advance royalty provisions permit advance royalty recoupment with certain limitations, as specified by the lease terms. After you report advance royalties on Form ONRR-2014, show all recoupments as separate line items.

As with rentals and minimum royalties you must show advance royalty transactions at the lease level on Form ONRR-2014.

NOTE: The following is only for the recoupment of advance royalty that was originally reported on the Form ONRR-2014. If the advance royalty was reported on the P&R, you must recoup on the P&R.

The following descriptions are for fields you use on Form ONRR-2014 for transaction code **33**.

Field	Description
ONRR Lease Number	Enter the ONRR-converted 10-digit lease number
API Well Number	Not used
ONRR Agreement Number	Not used
Product Code	Not used
Sales Type Code	Not used
Sales Month/Year	Enter the same sales month/year reported on the corresponding royalty transaction line that you are recouping against. Use the MMCCYY format; for example, enter October 2014 as 102014.
Transaction Code	Enter **33**.
Adjustment Reason Code	Leave this field blank for normal monthly reporting. You must complete this field only when adjusting previously reported data. For a list of adjustment reason codes, see Appendix F.

Field	Description
Sales Volume	Not used
Gas MMBtu	Not used
Sales Value	Not used
Royalty Value Prior to Allowances	Enter the appropriate advance royalty recoupment amount as a negative value.
Transportation Allowance Deduction	Not used
Processing Allowance Deduction	Not used
Royalty Value Less Allowances	Enter the appropriate advance royalty recoupment amount as a negative value.
Payment Method Code	Enter the same payment method reported on the corresponding royalty transaction line that you are recouping against. For a list of payment method codes, see Appendix B.

EXAMPLE

Transaction code 33. The following example shows how to recoup advance royalty.

Assumptions:

- You reported and paid advance royalties in May 2001 in the amount of $130,000.00.

- A recoupable balance of $30,000.00 remains on the lease

- The ONRR-converted lease number is M72-123123-0.

- You sold the product during November 2014.

- The product is raw bituminous coal, product code ED.

- The company sold 50,000 tons of coal at $20/ton.

- The royalty rate is 12 1/2 percent.

- You pay by EFT to ONRR.

Information reported on Form ONRR-2014 is shown on the following fact sheet.

NOTE   *You would report the royalties due for November 2014 on the P&R. You are only recouping the advance royalty on the Form ONRR-2014 because it was originally reported on the Form ONRR-2014.*

Form ONRR 2014 Fact Sheet

Detail Line

Line Number	1
API Well Number	
ONRR Lease Number	M721231230
ONRR Agreement Number	
Product Code	
Sales Type Code	
Sales MO/YR	052001
Transaction Code	33
Adjustment Reason Code	
Sales Volume	
Gas MMBtu	
Sales Value	
Royalty Value Prior to Allowances	-30000.00
Transportation Allowance Deduction	
Processing Allowance Deduction	
Royalty Value Less Allowances	-30000.00
Payment Method Code	03

10.6   **Deferred Bonus**

This section provides instructions and examples for transaction code **67**.

10.6.1   *Transaction Code 67, Deferred Bonus*

A deferred bonus is the value in excess of rentals and royalties that accrues to the United States because of coal resource ownership that is paid as part of the consideration for receiving a lease.

Deferred bonus payments are five equal installments—the first one due at lease issuance, and the remaining four due on or before the lease anniversary date.

As with rentals, minimum royalties, and advance royalties, you must show deferred bonus transactions at the lease level on Form ONRR-2014.

The following descriptions are for fields you use on Form ONRR-2014 for transaction code **67**.

Field	Description
ONRR Lease Number	Enter the ONRR-converted 10-digit lease number
API Well Number	Not used
ONRR Agreement Number	Not used
Product Code	Not used
Sales Type Code	Not used
Sales Month/Year	Enter the month/year the deferred payment is Use the MMCCYY format; for example, enter October 2014 as 102014.
Transaction Code	Enter **67**.
Adjustment Reason Code	Leave this field blank for normal monthly reporting. You must complete this field only when adjusting previously reported data. For a list of adjustment reason codes, see Appendix F.
Sales Volume	Not used
Gas MMBtu	Not used
Sales Value	Not used
Royalty Value Prior to Allowances	Enter the appropriate minimum royalty payable in advance recoupment amount as a negative value.
Transportation Allowance Deduction	Not used
Processing Allowance Deduction	Not used

Field	Description
Royalty Value Less Allowances	Enter the appropriate minimum royalty payable in advance recoupment amount as a negative value.
Payment Method Code	Enter the same payment method reported on the corresponding royalty transaction line that you are recouping against. For a list of payment method codes, see Appendix B.

EXAMPLE

Transaction code 67. The following example shows how to report deferred bonus.

Assumptions:

- The ONRR-converted lease number is M72-123123-0.

- You have a deferred bonus due on November 2014.

- Your deferred bonus amount due is $80,000.00

- You pay by EFT to ONRR.

Information reported on Form ONRR-2014 is shown on the following fact sheet.

Form ONRR 2014 Fact Sheet

Detail Line

Line Number	**1**
API Well Number	
ONRR Lease Number	M721231230
ONRR Agreement Number	
Product Code	
Sales Type Code	
Sales MO/YR	112014
Transaction Code	67
Adjustment Reason Code	
Sales Volume	
Gas MMBtu	
Sales Value	
Royalty Value Prior to Allowances	80000.00
Transportation Allowance Deduction	
Processing Allowance Deduction	
Royalty Value Less Allowances	80000.00
Payment Method Code	03

10.7 | Adjustments

Whenever you submit incorrect data on Form ONRR-2014, you must make subsequent adjustments to correct the information. **An adjustment is any correction made on Form ONRR-2014 to a previously reported line.** You make adjustments to:

- Pay additional monies,

- Recoup overpaid and overreported amounts, or

- Change information that has no effect on payments.

Adjustments, and the way they are reported, are affected by the lease type (Federal or Indian) and the time period involved.

> **NOTE**
>
> *You will only submit an adjustment on Form ONRR-2014 if you originally reported the original line on the Form ONRR-2014. If the original line was submitted on a P&R report, you must submit the adjustment on the P&R report. Because of the complexity involved in making adjustments, we encourage you to contact us if you have questions. (For contact information, see Appendix A.)*

10.7.1 | General Reporting Principles for Adjustments

Adjustments generally require **two** entries on Form ONRR-2014

1. The first entry reverses the incorrect line as accepted into the MRM financial accounting system.

2. The second entry reports the corrected data.

Both entries must include the appropriate adjustment reason code. You should select adjustment reason codes based on the reason for the adjustment or as otherwise instructed by ONRR. For a complete listing of adjustment reason codes, see Appendix F. To identify an acceptable adjustment reason code to use with each transaction code, see Chapter 4. You cannot use an adjustment reason code that is not listed for a specific transaction code without prior ONRR approval.

We do not allow single-line adjustments (net adjustments).

10.7.2 | Reporting Example

The following is an example of an adjustment.

> **EXAMPLE**
>
> **Price change.** This shows how to make an adjustment due to a price change.
>
> **Assumptions:**
>
> - In December 2014, you determine that you incorrectly reported the royalty value on Form ONRR-2014 for lease number M72-123123-0 for the sales month of January 2000.
>
> - You used an incorrect price to calculate the sales value and understated the royalty value. You initially reported 2000 tons of coal at $20.00 per ton. The actual price is $30.00 per ton.
>
> - The royalty rate is 12 1/2 percent.
>
> - You make the two-line adjustment on your December 2014 report.
>
> - Use adjustment reason code 10 for the pricing adjustment. Include the $2500.00 royalty increase with the remittance for this report.
>
> Information reported on Form ONRR-2014 is shown on the following fact sheet.

Form ONRR 2014 Fact Sheet

Detail Line

	Original Line	Adjustment Line	Correcting Line
Line Number	**1**	**2**	**3**
API Well Number			
ONRR Lease Number	M721231230	M721231230	M721231230
ONRR Agreement Number			
Product Code	01	01	01
Sales Type Code	ARMS	ARMS	ARMS
Sales MO/YR	012000	012000	012000
Transaction Code	01	01	01
Adjustment Reason Code		10	10
Sales Volume	2000.00	-2000.00	2000.00
Gas MMBtu			
Sales Value	40000.00	-40000.00	60000.00
Royalty Value Prior to Allowances	5000.00	-5000.00	7500.00
Transportation Allowance Deduction			
Processing Allowance Deduction			
Royalty Value Less Allowances	5000.00	-5000.00	7500.00
Payment Method Code	03	03	03

Payment Information

EFT Payments (PM3)	2500.00
Total All Payments	2500.00

Less Available Credits:

Doc. ID

Net Payment	2500.00