

Chapter 5

Original P&R

The P&R Original Detail page displays lease-level information for the sales point/product combination selected on the Summary page. A separate data entry table displays for each lease number/ (royalty rate/fixed rate) combination. Only the agency-assigned lease number displays to the user. Furthermore, a separate data entry table displays for each lease number/calculation method combination. In this way, leases with both fixed rate and royalty rate calculation methods are handled.

The following sections provide detailed descriptions, as well as screen shots of the Original P&R pages.

5.1 Mine Selection Page

The Mine Selection page is the first page that opens in the P&R application. On this page, you select a Mine, Federal or Indian Indicator, and the Report Type. The list of possible mines to choose from is delimited for your login ID.

NOTE

If a mine falls under both Business Units, you must submit a separate P&R for each.

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Welcome, MARTINLEI! Please Enter the appropriate Information to begin your Production & Royalty Submission

Mine Information

Mine Name: MARTIN COAL MINE

Federal/Indian Indicator: Federal/State/Fee Indian/State/Fee

Report Type

Original P & R/Other Obligation/P & R Value Adjustment:

P & R Volume/Value Adjustment:

Create Report

Disclaimer:
The Paperwork Reduction Act of 1995 requires us to inform you that this information is being collected by the Minerals Management Service from all Federal and Indian solid mineral lessees. We estimate the burden to average 20 minutes per report per month reporting electronically. Comments on the accuracy of this burden estimate or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, Minerals Management Service, 1849 C Street, N.W., Washington, D.C. 20240. Information that lessees claim is proprietary may be protected by the Freedom of Information Act (5 U.S.C. 552 (b) (4)), the Trade Secrets Act (18 U.S.C. 1832), and Department regulations (43 CFR part 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current valid OMB control number.

If you choose the “Original P&R/Value Adjustment/Other Obligation” option, the P&R Original Summary page will open.

5.2 P&R Original Summary Page

The P&R Original Summary page lists all the Sales Point/Product combinations for the selected sales month and year. Each line of this page sums up the Lease Number (royalty rate/fixed rate) combinations on the detail page. When the page first loads, the Sales Month and Year default to the next P&R due for the mine.

The screen print below depicts the Sales Point, Product Name, and the Summary of input data. The summary data is all zeros at this point, as nothing has been entered. If you have remote sales sites, they will be listed in a separate row.

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Mine Name
Business Unit

MARTIN COAL MINE
Federal/State/Fee

P & R Original Summary

Sales Month/Year: April 2007 Populate P&R Data

This Sales Month has not been submitted.

	Sales Point	Product	Units Produced	Units Sold	Gross Proceeds	Total Allowed Cost	Royalty Payment
<input type="radio"/>	Mine	Coal	0	0	\$0.00	\$0.00	\$0.00
	Total:		0	0	\$0.00	\$0.00	\$0.00

Open P&R Report

5.3 Lease Level Detail Page

The prepopulated data at the top of this page includes the Mine Name, Business Unit, Sales Month/Year, Sales Point, and Product. Other pre-populated data includes: lease numbers, beginning inventory, production available for sale, royalty rate, and the land class for each lease. The screen print below shows only two leases, but if there are more, you can scroll down to the others.

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Mine Name	Business Unit	Sales Month/Year	Sales Point	Product
MARTIN COAL MINE	Federal/State/Fee	April, 2007	Mine	Coal
P & R Original				
Total Units Sold:	<input type="text" value="0"/>	Total Units Transferred:	<input type="text" value="0"/>	<input type="button" value="Allocate Volume"/>
Total Gross Proceeds:	<input type="text" value="\$0"/>	Total Allowed Processing Cost:	<input type="text" value="\$0"/>	<input type="button" value="Allocate Value"/>
Total Allowed Transportation Cost:	<input type="text" value="\$0"/>	<input type="button" value="Calculate Royalty Due"/>		<input type="button" value="Save Before Submitting"/>

Lease Number: MTM111112		Royalty Rate/Fixed Rate: 4%		Land Class: FED	
Beginning Inventory:	<input type="text" value="0"/>	Inventory/Volume Adjustment:	<input type="text" value="0"/>	Units Produced:	<input type="text" value="1000"/>
				Production Available for Sale:	<input type="text" value="1000"/>
Ending Inventory:	<input type="text" value="0"/>	Gross Proceeds:	<input type="text" value="\$0.00"/>	Units Transferred:	<input type="text" value="0"/>
		Allowed Transportation Cost:	<input type="text" value="\$0.00"/>	Royalty Before Allowance:	<input type="text" value="\$0.00"/>
		Allowed Processing Cost:	<input type="text" value="\$0.00"/>	Royalty Payment:	<input type="text" value="\$0.00"/>

Enter your comments here for the above lease:

Lease Number: MTM111112		Royalty Rate/Fixed Rate: 8%		Land Class: FED	
Beginning Inventory:	<input type="text" value="0"/>	Inventory/Volume Adjustment:	<input type="text" value="0"/>	Units Produced:	<input type="text" value="0"/>
				Production Available for Sale:	<input type="text" value="0"/>
Ending Inventory:	<input type="text" value="0"/>	Gross Proceeds:	<input type="text" value="\$0.00"/>	Units Transferred:	<input type="text" value="0"/>
		Allowed Transportation Cost:	<input type="text" value="\$0.00"/>	Royalty Before Allowance:	<input type="text" value="\$0.00"/>
		Allowed Processing Cost:	<input type="text" value="\$0.00"/>	Royalty Payment:	<input type="text" value="\$0.00"/>

Enter your comments here for the above lease:

5.3.1

Lease Level Data Input

The following is a description of the lease level data input fields.

Field	Description
Inventory Volume Adjustment	The incidental changes to the inventory that occurred.
Units Produced	<p>Will depend upon what you are producing:</p> <ul style="list-style-type: none"> If you sell raw coal (crushed), you report mined coal as produced coal. If you sell clean coal that comes out of the wash plant, you reported clean coal as produced coal. Sodium, potassium and gilsonite producers report salable products as produced sodium, potassium, and gilsonite. Western phosphate producers report shipped phosphate as produced phosphate. Lead, zinc, and copper producers report each concentrate as produced. Report sand & gravel as per lease terms (tons or cubic yards).

Field	Description
Units Transferred	Any volume transferred to a remote sales point.
Units Sold	The units sold from each lease.
Gross Proceeds	The proceeds received from the sale of the product for the reporting period for the specified product/lease combination.
Allowed Transportation Cost	The transportation costs for the reporting period for the specified product/lease combination.
Allowed Processing Cost	The processing costs for the reporting period for the specified product/lease combination.

NOTE

The gross proceeds, allowed transportation cost, and allowed processing cost are only required if you have an ad valorem royalty rate.

If you report sales from a remote sales point (instead of the mine) you must enter the same value for Units Produced at the remote site as was entered as Units Transferred at the mine site. The reason for doing so is that the two reports are independent; therefore, the mine report showing the transfer does not automatically populate the remote sales site report.

Notice the Comment section below each lease. You may write any comments you want to help explain what you entered for each lease in this box.

EXAMPLE

Lease level data input and royalty calculation example. This example shows how to report and pay royalties on an Original P&R.

Assumptions:

- You had an inventory volume adjustment equal to a negative 25 tons.
- You produced 100 tons.
- You did not transfer any tons.
- You sold 125 tons.
- Your gross proceeds equal \$12,500.00.
- You had transportation costs of \$2,000.00.
- You had processing costs of \$3,000.00.

The screen print below shows a lease level data input example.

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Mine Name	Business Unit	Sales Month/Year	Sales Point	Product
MARTIN COAL MINE	Federal/State/Fee	May, 2007	Mine	Coal

P & R Original

Total Units Sold: Total Units Transferred:

Total Gross Proceeds: Total Allowed Processing Cost:

Total Allowed Transportation Cost:

Lease Number: MTM111112		Royalty Rate/Fixed Rate: 4%		Land Class: FED	
Beginning Inventory:	Inventory/Volume Adjustment:	Units Produced:	Production Available for Sale:	Units Transferred:	Units Sold:
500	<input type="text" value="-25"/>	<input type="text" value="100"/>	<input type="text" value="575"/>	<input type="text" value="0"/>	<input type="text" value="125"/>
Ending Inventory:	Gross Proceeds:	Allowed Transportation Cost:	Allowed Processing Cost:	Royalty Before Allowance:	Royalty Payment:
450	<input type="text" value="\$12,500.00"/>	<input type="text" value="\$2,000.00"/>	<input type="text" value="\$3,000.00"/>	<input type="text" value="\$500.00"/>	<input type="text" value="\$300.00"/>

Enter your comments here for the above lease:

NOTE

The P&R system was developed to acknowledge that Transportation and Processing Costs or Allowances and Units Transferred are a reduction to the Gross Proceeds or Volumes; therefore, you would input these numbers without a negative sign.

Click on the **Calculate Royalty Due** button at bottom of page to calculate Royalty before Allowance. In the example above, the Royalty before Allowance equals \$500.00, and the Royalty Payment is \$300.00.

NOTE

*You can calculate royalty due by pressing the **Calculate Royalty Due** button after you input data for each individual lease, or you can wait until you have input the data for all leases. If you have numerous leases and royalty rate combinations, we recommend that you press the **Calculate Royalty Due** button frequently to avoid getting "timed out" from the internet application.*

Royalties are only calculated for Federal or Indian leases.

Click on the **Save before Submitting** button to return to the Mine-Level Summary Page.

If you do not have a value adjustment or other obligation to report, click on the "Main Payment tab" at the top of the page

5.4 Main Payment Page

The Main Payment page displays all payment information created by the current session and enables you to save and submit the official submission to ONRR. The Customer Document ID is pre-populated with the Submission ID of the current session prefixed by “PAR.” You can enter your own payor-assigned document number into this field, if you do not wish to keep the system-generated number. You must select a payment method before your final submission.

The page displays differently according to the report type originally selected on the Mine Selection page. A link to the appropriate page is available next to the corresponding subtotal from that particular page. If you select the “Original P&R/Other Obligation/P&R Value Adjustment” option on the Mine Selection page, then totals and links for all three of those pages display. Otherwise, if you select the “Volume/Value Adjustment” option, then only the Volume/Value Adjustment link and total are visible.

Clicking the **Submit P&R to ONRR** button saves your data and takes you to the Confirmation page. If you scroll to the bottom of this page, you will see the **Cancel Submission** button, which erases any data you already saved for the current submission and allows you to start a new report from scratch. You should use this button if there are any mistakes or issues with pre-populated reference data, such as lease numbers, financial terms, or royalty rates.

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Main Payment
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Mine Name	Business Unit	Sales Month
MARTIN COAL MINE	Federal/State/Fee	May, 2007

Main Payment

Warning:
Your Mine Level Total Production Units has a 25% or more variance when compare to the mine's last reporting period.
If you accept the fact that there is a variance of 25% or more, please check the checkbox below to by-pass the validation.

Submission ID:	PAR29683
Customer Number:	MA839
Customer Document ID:	<input type="text" value="PAR29683"/>
Payment Method:	<input type="text" value="Electronic Funds Transfer"/>
Federal/Indian Indicator:	FED01
Production & Royalty Total:	\$ 300.00
Other Obligation Total:	\$ 18,000.00
Value Adjustment Total:	\$ 0.00
Sub Total:	\$ 18,300.00
Credit 1 Amount:	<input type="text" value="\$ 0.00"/>
Credit 1 Doc ID:	<input type="text" value="-"/>
Grand Total:	\$ 18,300.00

Enter your comments here for the above Mine Payment:

Calculate Royalty Due

Submit P&R to MMS

Cancel Submission

NOTE

Notice the Mine Level Production warning on the above example. This is a warning that your production is at least 25% more or less than the previous month. You must acknowledge that you know and accept this as true by checking the box.

The following is a description of the Main Payment page fields.

Field	Description
Submission ID	Submission ID is generated by the system. It is used as an identifier to a submission.
Customer Number	The Customer Number associated to the Mine.
Customer Document ID	The Customer Document ID defaults to the Submission ID number. This number can be changed, but please do not change it unless instructed by ONRR or STRAC as a result of a compliance or audit issue. (Then you would use the UFI that is provided to you.)
Payment Method	Method used to pay the total due (e.g., EFT, Check). This field will default to Electronic Funds Transfer (EFT). If you pay by other means, make sure you use the dropdown list and pick the appropriate method.
Federal/Indian Indicator	This specifies the business unit of the financial transaction as either FED01 (Federal) or IND01 (Indian).
Production & Royalty Total	This is the total royalties you are reporting to ONRR on this report.
Other Obligation Total	This is the total other obligations you are reporting to ONRR on this report.
Value Adjustment Total	This is the total value adjustment you are reporting to ONRR on this report.
Subtotal	Total of Production & Royalty plus Other Obligation plus Value Adjustment.
Credit 1 Amount	DO NOT USE
Credit 1 Doc ID	DO NOT USE
Grand Total	The Grand total equals the Subtotal amount.

Click the **Submit P&R to ONRR** button to submit your report to ONRR. You will receive a Confirmation page informing you that the report has been successfully submitted.

Click the **Cancel Submission** button to cancel everything you entered on this report. You will lose all your data and will have to start over.

NOTE

Print the Main Payment page and the Confirmation page for your records. If you want to print other pages of the report, you should print them prior to printing the Main Payment page.