

Appendix F

Adjustment Reason Codes

NOTE

ONRR eliminated many previously valid adjustment reason codes. You can report the following adjustment reason codes for oil and gas leases: 10, 15, 16, 17, 32, 35, 49, and 71 and 72 for interest. You can report the following adjustment reason codes for geothermal leases: 25, 26 and 31.

Use these codes to correct previously reported transactions on Form ONRR-2014 or Form CMP-2014.

Code	Name	Use to . . .
10	Adjustment	Make an adjustment that does not require a unique adjustment reason code. Use adjustment reason 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 (effective sales month 01/2000)	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 a non-index zone. This adjustment reason code is allowed on Form CMP-2014.
17	ONRR-initiated compliance adjustment	Report entries resulting from an audit or compliance review. Any exceptions to reporting this adjustment reason code must be approved by ONRR. This adjustment reason code is allowed on only Form CMP-2014.

Appendix F Adjustment Reason Codes

Code	Name	Use to . . .
25	Netback costs true-up (geothermal leases only)	Report adjusted netback values for prior periods using actual capital costs and operating and maintenance expenses for geothermal resources using netback valuation only.
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 (effective sales month 01/2000)	Report adjustments to the index price and/or dual accounting for gas production from an Indian lease located in an index zone. This adjustment reason code is allowed on Form CMP-2014.
71	Estimate underpayment interest	Identify payor-calculated interest related to insufficient estimate values.
72	Audit underpayment interest	Identify payor-calculated interest related to an audit. This adjustment reason code is allowed on Form CMP-2014.