U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Welcome to 2015 ONRR Reporter Training

Presented by:

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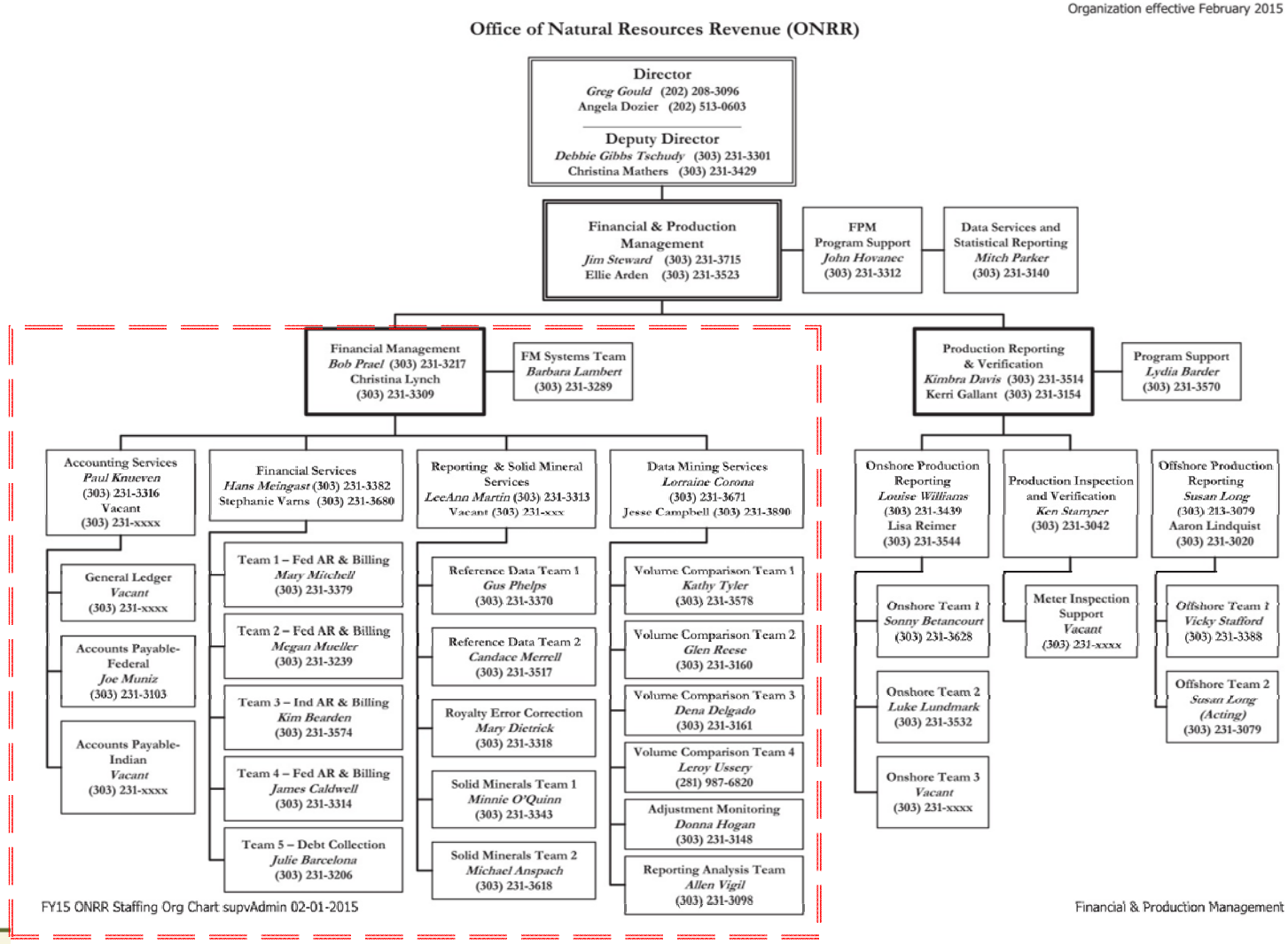
Industry Compliance • Accurate Revenues and Data • Professionalism & Integrity

- Background and Disbursements
- Regulations
- EITI

ONRR Financial & Program Management Organization Chart

Organization effective February 2015



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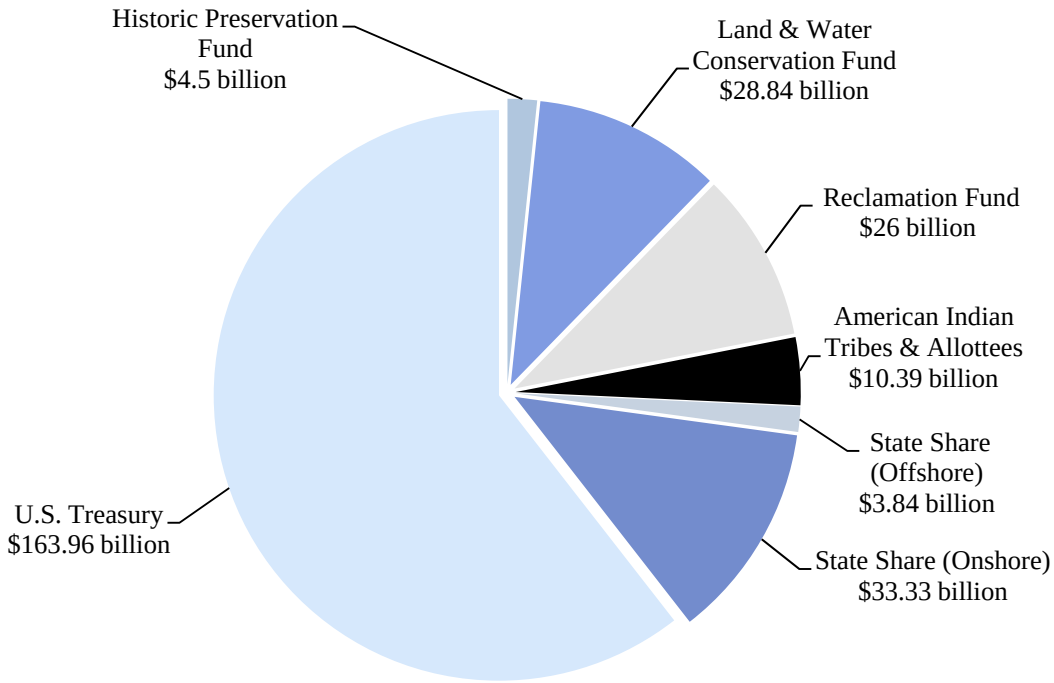
FY 2014 Disbursements -- $13.4 Billion

- $ 7.3 Billion to the U.S. Treasury
- $ 895.3 Million to the Land & Water Conservation Fund
- $ 150 Million to the Historic Preservation Fund
- $ 1.77 Billion to the Reclamation Fund
- $ 2.2 Billion to 35 States
- $ 1.1 Billion on behalf of 34 Indian tribes and approximately 30,000 individual Indians

Office of Natural Resources Revenue (ONRR)

Cumulative Mineral Lease Revenue Disbursement (1982 - 2014)



Note: rounding may affect totals

- Since 1982, ONRR has distributed $270.8 billion in revenues from onshore and offshore lands to the Nation, states, and American Indians
- The ONRR distribution to the U.S. Treasury is one of the Federal government's greatest sources of non-tax income

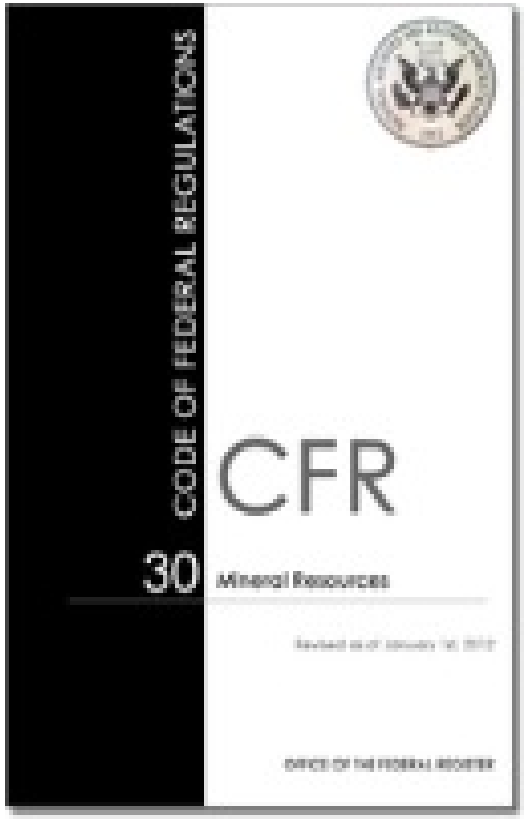
Laws Affecting ONRR

- Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA)
- Royalty Simplification and Fairness Act of 1996
- Energy Policy Act of 2005

Code of Federal Regulations

Regulations affecting oil & gas leasing and the collection of royalties:

- 25 CFR – Indians
  - Part 200 – 250: Energy and Minerals
- 30 CFR – Mineral Resources
  - Part 1201 – 1243: Royalty Management
  - Part 1250 – 1282: Offshore
- 43 CFR – Public Lands: Interior
  - Part 3100 – 3190: Oil and Gas Leasing
  - Part 3200: Geothermal Leasing



Reporter Handbook

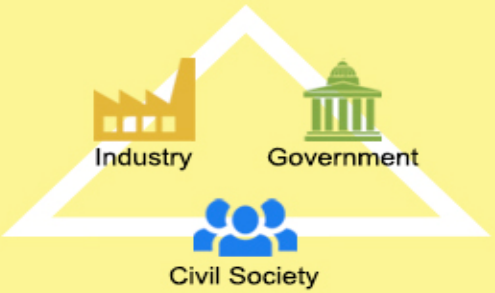
Available on the website at:

http://www.onrr.gov/ReportPay/Handbooks/default.htm

EITI

The Extractive Industries Transparency Initiative, or EITI, is a global standard that promotes revenue transparency and accountability in the extractive sector.

1.



A national **multi-stakeholder group** (government, industry and civil society) decides how their EITI process should work.

2.

Government revenues and company payments are disclosed and independently assessed in an **EITI Report.**

3.

The findings are communicated to create **public awareness and debate** about how the country should manage its resources better.

EITI Video

EITI is best explained in the following video:

Questions?

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Lease and Agreement Training

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Reference Data

- ✓ Establish and maintain leases and agreements in our reference system.
- ✓ Identify and resolve reporting and database inconsistencies.
- ✓ Support prompt and accurate distribution of royalties.

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Reference is primarily responsible for maintaining lease and agreement information. This involves the receipt of 1st productions memos, various decision letters and agreement exhibits from the issuing agencies.

These documents allows ONRR to maintain information regarding:

- Status of leases and agreements (terminable versus non-terminable, segregations, suspensions, expired, etc.)
- Financial terms - royalty rates, rent, MR etc.
- Mineral Ownership percentages
- Agreement allocations

Distribution information - state, county, tribal or allotted, fund codes which direct how funds will be distributed.

- For a Federal onshore lease on public lands the distribution is 50% state, 40% Land & Water Conservation Trust Fund & 10% US Treasury.
- For a Federal onshore lease on acquired lands the distribution is normally 100% to the US Treasury

Life of a Lease

	Federal Onshore	Federal Offshore	Indian
• **Lease Issued & Bonus Collected**	BLM	BOEM	BIA
• **1st Year Rent Collected**	BLM	BOEM	BIA
• **Subsequent Rent Collected**	ONRR	ONRR	BIA
• **1st Production Notice Issued**	BLM	BOEM	BLM
• **Producing Lease Royalty Reporting**	ONRR	ONRR	ONRR
• **Lease Expiration**	BLM	BOEM	BIA

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This chart details the phases leases move through during their life.

- Federal onshore leases
  - BLM collects first year rental payment and any bonus, responsible for day-to-day operations, inspections and enforcement. They issue 1st productions, decision letters, etc.
  - ONRR primarily collects, accounts for, disburses, establishes value for, and audits royalty payments.
- Federal Offshore leases
  - BOEM performs same duties for offshore leases as the BLM does for onshore leases.
  - ONRR performs same duties for offshore leases as it does for onshore leases.
- Indian leases
  - BIA issues leases and collects all rent and administers the lease until the lease becomes producing.
  - BLM issues 1st production memos
  - ONRR collects rents and royalties on producing Indian leases and distributes information to the various BIA offices

•ONRR = Office of Natural Resources Revenue

•BOEM = Bureau of Ocean Energy Management

Terminable/Nonterminable

- Terminable Leases
  - not held by actual or allocated production and not located within a producing agreement.
  - automatically terminate for non-payment of rentals
- Nonterminable Leases
  - Onshore - held by actual or allocated production or located within a producing agreement
  - Indian Leases
  - Offshore Leases

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Terminable leases are Federal onshore leases that are not held by actual or allocated production. These leases will automatically terminate for nonpayment of rentals.

Nonterminable leases are Federal onshore leases held by actual or allocated production or leases located within a producing agreement.

In some situations, which we will discuss later nonterminable leases can also be in rental status. In those cases, rental must be paid, or the payor will be billed and charged interest.

NOTE: Leases located in an agreement, but uncommitted to the agreement, will remain in terminable rental status because they are not subject to any benefit from the agreement.

Payor (Customer)

- The party that agrees to remit the rent or royalty payment and report the royalty due from the sale of mineral products
- Payors may include:
  - Lessees
  - Operators
  - Purchasers
  - Interest Owners

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A payor is the party who agrees to report and remit the **rent or royalty** payment due from the sale of mineral products.

Payors may include lessees, operators, purchasers, and working interest owners, but are not restricted to just these parties.

There may be multiple interest owners for a lease or given activity on a lease.

Only one designated payor for rent and minimum royalty is established in our system. Usually the majority interest owner.

Each payor has a unique 5-digit numeric payor code established in our database identifying the company.

This payor code must be included on all reports, payments and correspondence sent to the ONRR.

For multiple interest owners, only one should make rental payments

Lease Number Conversion

- ONRR Converts the Alpha-Numeric Agency Assigned Lease Number into a 10-Digit Lease Number

BLM/BIA/BOEM Assigned Number		ONRR Converted Number
WYW0308789	→	0483087890
WYW96584	→	0490965840
OCS-G27591	→	0540275910
14-20-H62-6510	→	5090065100

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ONR converts the Alpha Numeric Agency Assigned Lease Number into a 10-Diget Lease Number.

All ONRR lease numbers consist of 10 digits. Due to system constraints and surface management offices, we have to standardize the numbers.

See handout for lease conversion help.

Communitization Agreement Number Conversion

ONRR Converts the Alpha-Numeric Agency Assigned Agreement Number into a 9-Digit Agreement Number for new CA's. Older CA's will have a 10 digit number.

OKNM75212	→	NM_ _ 75212
WYW157376	→	W_ _157376
MTM69248	→	6910001440

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ONRR also converts the agency agreement number into an ONRR number.

Some ONRR agreement numbers issued prior to December 1987 consist of 10 digits. Newer CA's (issued January 1, 1988 and later) consist of 9 digits

See handout for agreement conversion help.

Unit Agreement Number Conversion

ONRR Converts the Alpha-Numeric Agency Assigned Agreement Number into a 10-Digit Agreement Number

Bull Frog Exploratory Unit Sundance PA

WYW109444A → 8910160390

Sun Dog Unit PA "A"

WYW152954A → W_ _152954A

Packsaddle Secondary Recovery Unit

WYW153461X → W_ _ 153461X

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See handout for agreement conversion help.

Cross Reference Listings

- http://www.onrr.gov/ReportPay/CrossRef.htm

Leases

- Active Leases - Sorted by State and Agency Lease Number (PDF) *(updated 4/6/2015)*

Agreements

- Active Agreements - sorted by State and Agreement Name (PDF) *(updated 4/6/2015)*
- Active Agreements - sorted by State and Agency Agreement Number (PDF) *(updated 4/6/2015)*
- Cross-Reference Lease to Agreement Numbers sorted by Agreement Name (PDF) *(updated 6/4/2015)*
- Cross-Reference Lease to Agreement Numbers sorted by Agreement Number (PDF) *(updated 6/4/2015)*
- Cross-Reference Lease to Agreement Numbers sorted by Lease Number (PDF) *(updated 6/4/2015)*
- Downloadable Text Cross-Reference Lease to Agreement Number *(updated 5/12/2015)*

Agreements Cross-Referenced to former Accounting Identification (AID) Numbers

These cross-referenced files show all former Accounting Identification (AID) Numbers that identified production allocated from an agreement. The AID numbers were used prior to October 1, 2001 and consisted of the 10-digit ONRR lease number and the 3-digit revenue source number. AID Numbers that identified lease-basis production are not included in these files.

Please Note: *Some lines on these reports are duplicates and some lines contain a Revenue Source of 000. Please ignore these lines.*

- Cross-Referenced AID and Agreement Numbers Sorted by Agreement Name (PDF)
- Cross-Referenced AID and Agreement Numbers Sorted by Agreement Number (PDF)
- Cross-Referenced AID and Agreement Numbers Sorted by Lease (PDF)
- Downloadable Excel Version (Excel)

Cross Reference Listings

http://www.onrr.gov/ReportPay/PDFDocs/CRANumber.pdf - Windows Internet Explorer

049	150418	0	W	157351 X	EXPL	IRON HORSE	ALL
049	148472	0	W	157351 X	EXPL	IRON HORSE	ALL
049	158447	0	W	157351 X	EXPL	IRON HORSE	ALL
049	148477	0	W	157351 X	EXPL	IRON HORSE	ALL
048	297048	0	W	157375	COMM	SOUTH KITTY FEDERAL 14-22B	FORT UNION
048	321912	0	W	157376	COMM	NORTH KITTY FEE 31-17S	FT. UNION
048	321912	0	W	157377	COMM	NORTH KITTY FEE 42-17	FT. UNION
048	140280	0	W	157378	COMM	CENTRAL KITTY FED 22-28B	FORT UNION
049	005332	0	W	157378	COMM	CENTRAL KITTY FED 22-28B	FORT UNION
048	192636	0	W	157379	COMM	CENTRAL KITTY FEDERAL 11-32!	FT. UNION
048	140280	0	W	157379	COMM	CENTRAL KITTY FEDERAL 11-32!	FT. UNION
048	140280	0	W	157380	COMM	CENTRAL KITTY FEDERAL 22-32!	FORT UNION
048	192636	0	W	157380	COMM	CENTRAL KITTY FEDERAL 22-32!	FORT UNION
048	140280	0	W	157381	COMM	CENTRAL KITTY FED 11-28A	FORT UNION
049	005332	0	W	157381	COMM	CENTRAL KITTY FED 11-28A	FORT UNION
049	107239	0	W	157384	COMM	MARQUISS FED 15W-2	FT UNION/WASATCH
048	197388	0	W	157384	COMM	MARQUISS FED 15W-2	FT UNION/WASATCH
049	125289	0	W	157385 A	PUNT	WIND DANCER	INITIAL ALMOND/LEWIS
049	132369	0	W	157385 A	PUNT	WIND DANCER	INITIAL ALMOND/LEWIS
049	132368	0	W	157385 A	PUNT	WIND DANCER	INITIAL ALMOND/LEWIS
049	132367	0	W	157385 A	PUNT	WIND DANCER	INITIAL ALMOND/LEWIS
049	131838	0	W	157385 A	PUNT	WIND DANCER	INITIAL ALMOND/LEWIS

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BLM Lease and Agreement Info

- http://www.blm.gov/lr2000/

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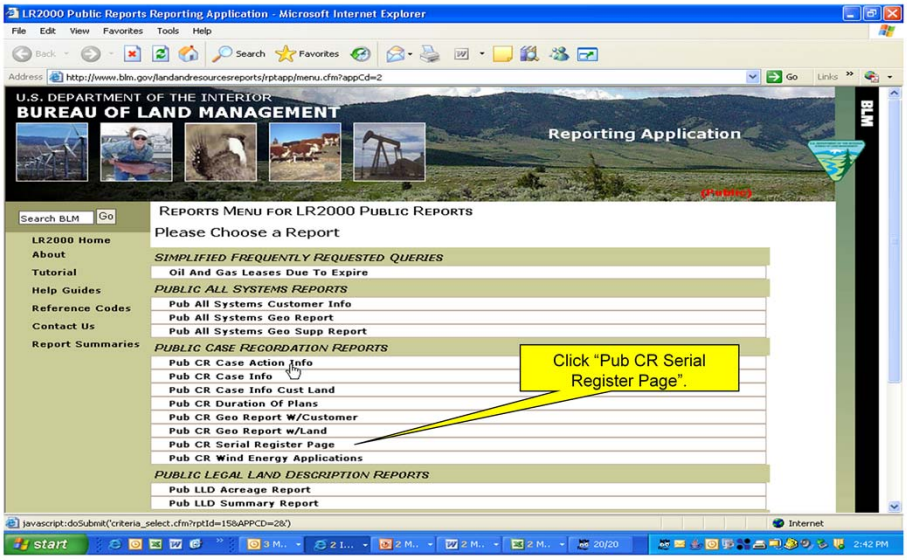
BLM Lease and Agreement Info



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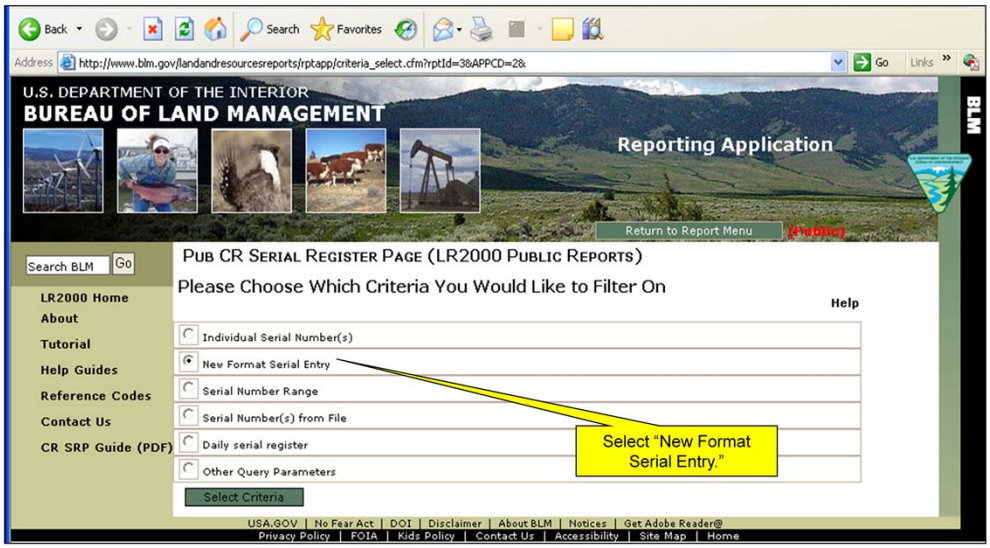
BLM Lease & Agreement Info



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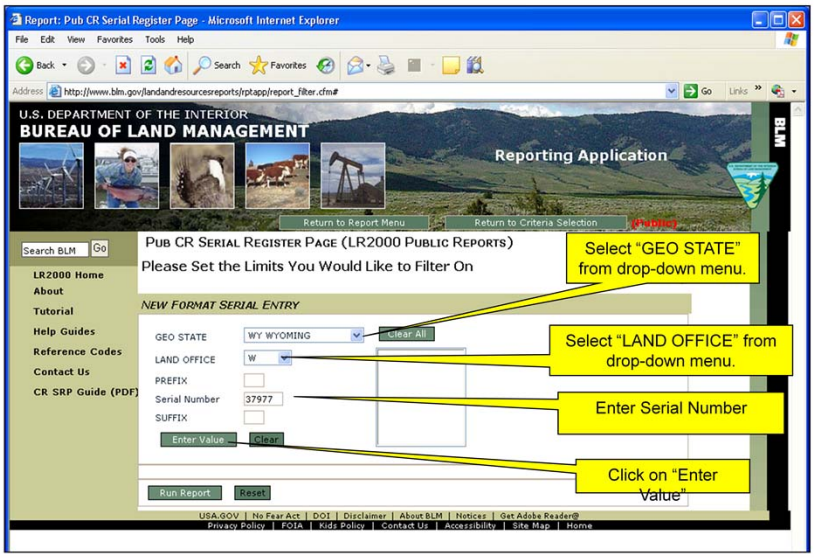
BLM Lease & Agreement Info



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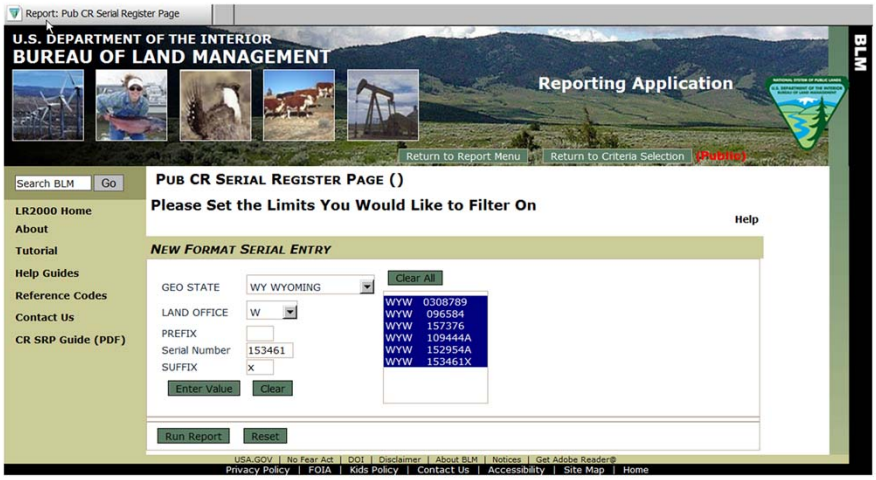
BLM Lease and Agreement Info



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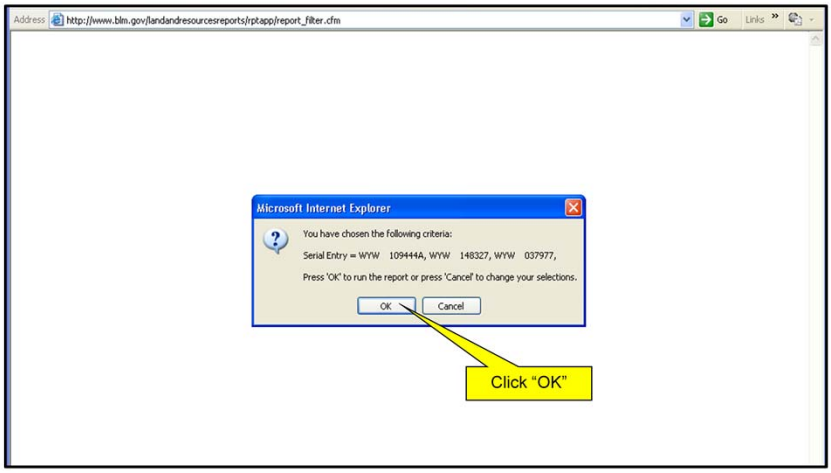
BLM Lease & Agreement Info



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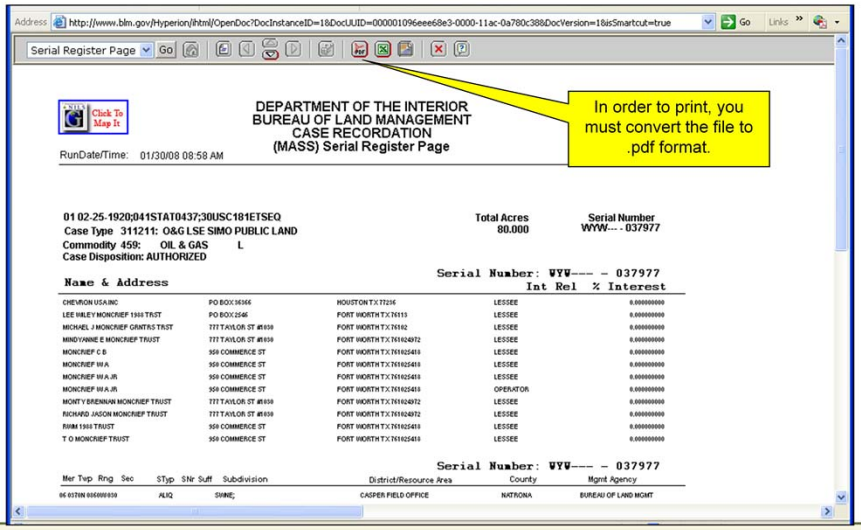
BLM Lease & Agreement Info



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BLM Lease and Agreement Info

BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Page 1 of 2

Run Date: 06/06/2014

01 02-25-1920;041STAT0437;30USC181

Total Acres	Serial Number
640.000	MTM--- - 069248

Case Type 318310: O&G COMMUNITZATION AGRMT
Commodity 410: NATURAL GAS LC
Case Disposition: AUTHORIZED

Serial Number: MTM--- - 069248

Name & Address			Int Rel	% Interest
BLM GREAT FALLS FO	1101 15TH ST N	GREAT FALLS MT 594011203	OFFICE OF RECORD	0.000000000
OMIMEX CANADA LTD	2001 BEACH ST STE 810	FORT WORTH TX 761032300	OPERATOR	100.000000000

Serial Number: MTM--- - 069248

Mer Twp Rng Sec	STyp	SNr Suff Subdivision	District/Field Office	County	Mgmt Agency
20 0360N 0320E 017	ALIQ	ALL;	MALTA FIELD OFFICE	PHILLIPS	BUREAU OF LAND MGMT

Serial Number: MTM--- - 069248

Act Date	Code	Action	Action Remark	Pending Office
08/01/1980	387	CASE ESTABLISHED		
08/01/1980	501	REFERENCE NUMBER	CA-NCR144;	
08/01/1980	516	FORMATION	PLPS;PHILLIPS	

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Actual -vs- Allocated Production

- Actual - Lease Basis Production
  - Royalties based on 100% of production
  - Includes any and all wells located on a lease that are not committed to a pooling agreement.
  - Multiple lease basis wells on a lease with the same royalty rate can be reported together

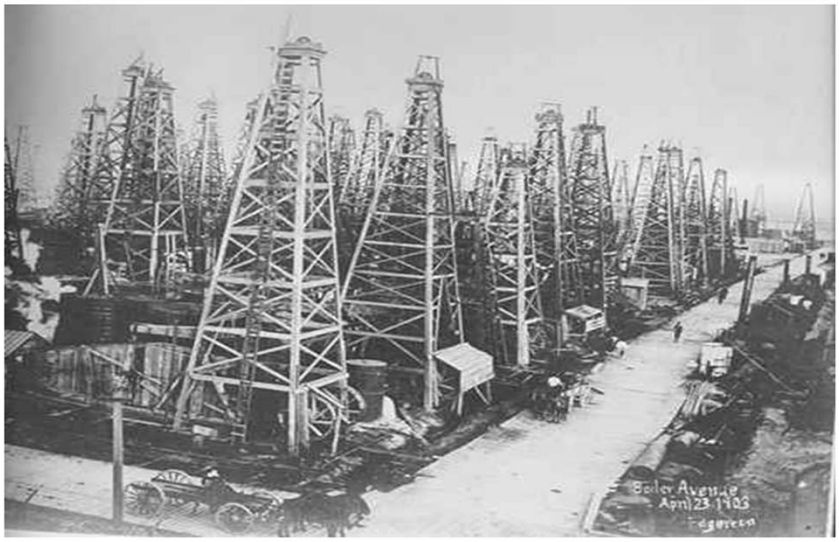
Actual vs Allocated Production

- Allocated
  - Royalties based on an allocated % of production
    - Unit Participating Areas
    - Communitization Agreements
    - Secondary Recovery Units

Communitization Agreement

- Onshore federal and Indian leases only
- Result of State spacing requirements
- Usually based on 1 formation
- Allocation schedule based on surface acreage
- Usually just 1 well

Boiler Avenue, Spindletop, 1903



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This scene illustrates the densest drilling in Texas.

By 1903, more than 400 wells had been drilled on the dome.

There is still product out there, but we are unable to get it out

Unitization Agreement

- ❑ - Allows for the sharing of costs
- ❑ Reduced risk to environment
- ❑ - Efficient drilling of wells
- ❑ - Allows maximum acreage exception

  §43 CFR 3101.2-1
- ❑ - Yates Decision

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In Yates Petroleum Corporation *et al*., 67 IBLA 246, (1982), the Interior Board of Land Appeals ruled that a well capable of production, completed under the terms of the unit agreement prior to the expiration date of a unitized lease, extends that lease under Title 30 U.S.C. 226(j), even though the well is handled and reported on a lease, not unit, basis.

Unit Participating Area (PA)

- Producing portion of Unit agreement
- Usually based on 1 formation
- Allocation schedule based on surface acreage
- Each lease within a PA requires a separate line of reporting
- When reporting on multiple PAs for a lease, a separate line is required for each lease/PA combination

Reporting Royalties on Lease Basis Production

ONRR needs BLM/BOEM approval document to put the lease in a producing status.

Has proper notification been sent to the managing agency, i.e. BLM or BOEM?

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For wells on Federal property, ONRR needs BLM's first production memo to make the lease producing in our system.

This is a cooperative effort between the operator, BLM and ONRR.

ONRR cannot enter a first production date into our system until we receive the first production memorandum. If you report and the line or lines reject and you have a copy of the first production memorandum – call your lease and agreement analyst, let them know that you have a copy of BLM's first production memorandum and then fax or email that memorandum to ONRR.

In the event that you do not have a copy and ONRR has not yet received a copy of the memorandum and you have reported a royalty line , you maybe asked to back this line out until the correct documentation has been received by ONRR.

When do you start Reporting Royalties on Agreements

Wells located on federal lands should be reported on a lease basis until the CA or PA is approved by the BLM

ONRR needs the approved allocation schedule from BLM to establish the agreement in our system.

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When do you start reporting royalties on agreements:

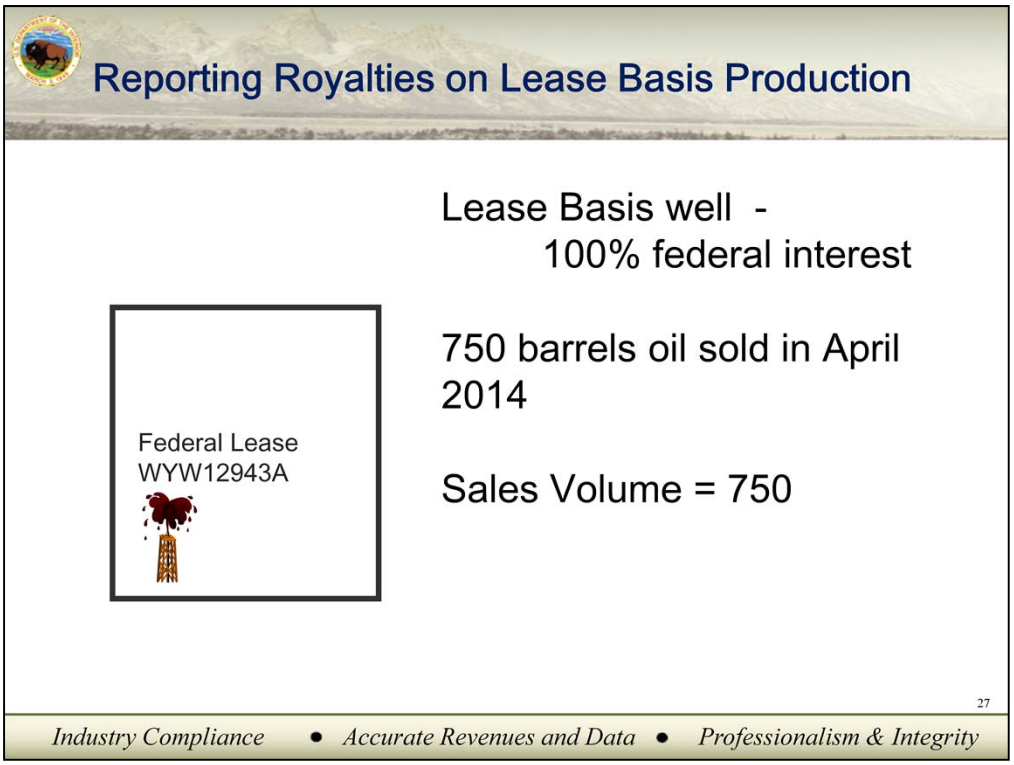
- Royalties for wells located on Federal lands should be reported on the lease basis until the BLM approves the CA or PA.

NOTE: When the CA or PA is approved royalties will need to be adjusted.

-This is necessary because ONRR is unable to distribute royalties on an agreement without an approved allocation schedule

Royalties on fee or state land wells should not be reported to ONRR until the BLM approves either a CA of PA.

You have until the end of the month following the month of the BLM approval date to report and pay royalties to ONRR and not be charged interest.



We will now cover specific examples of how to report on actual and allocated production.

This is an example of lease basis production

- - The lease is 100% federal
- - 750 barrels of oil are sold in April 2014

REMEMBER: ONRR expects royalties on products removed or sold from a lease

Reporting Royalties on Lease Basis Production

5 LINE NUMBER	6 RESERVED FOR PREPARER'S USE / 8 API WELL NUMBER	7 ONRR LEASE NUMBER / 9 ONRR AGREEMENT NUMBER			10 PRODUCT CODE	11 SALES TYPE CODE	12 SALES MO/YR (MM/CCYY)	13 TRANSACTION CODE	14 ADJUSTMENT REASON CODE	15 SALES VOLUME (Mcf/bbl/gal/long ton) / 19 ROYALTY VALUE PRIOR TO ALLOWANCES $	
1	Lease Basis Example	049	012943	A	01	ARMS	042014	01		750	00

100% x 750 bbls sold =

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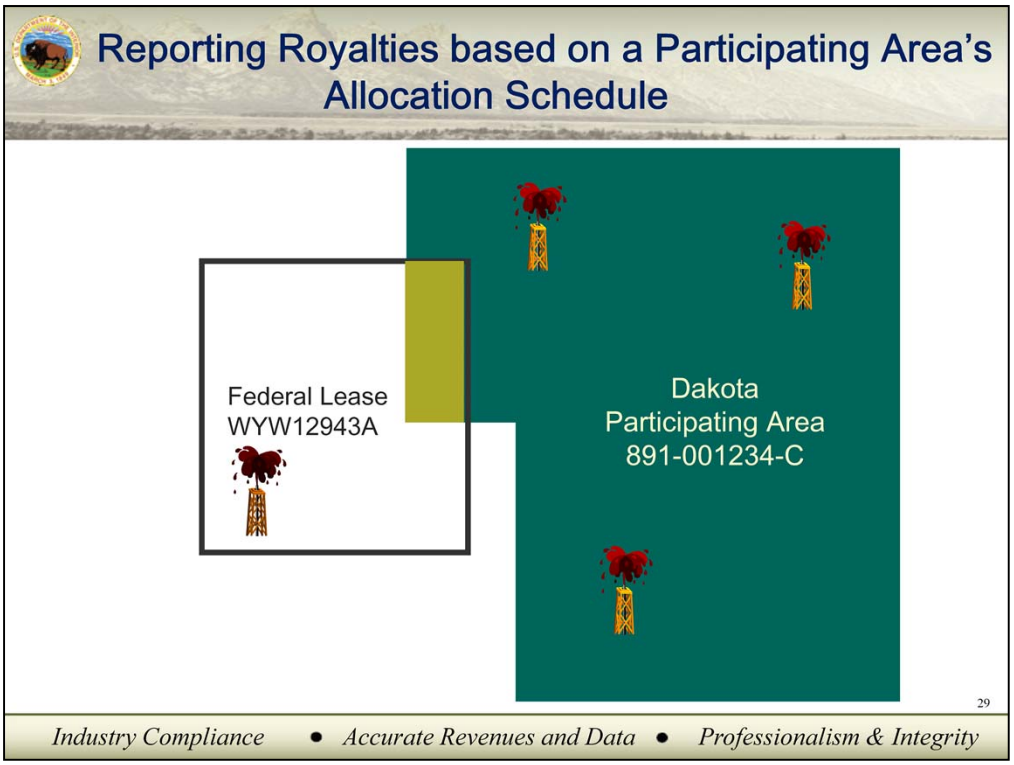
Since this is lease basis production, we expect to receive royalties based on 100% of the production removed or sold from the lease. Therefore, the sales volume on the Form ONRR-2014 will be 750.

This slide is a blow up of a portion of the manual Form ONRR-2014, Report of Royalty Remittance.

This slide and the following slides are being used to illustrate how to report volumes on actual and allocated production.



This is an example of how to report royalties on production from a PA.

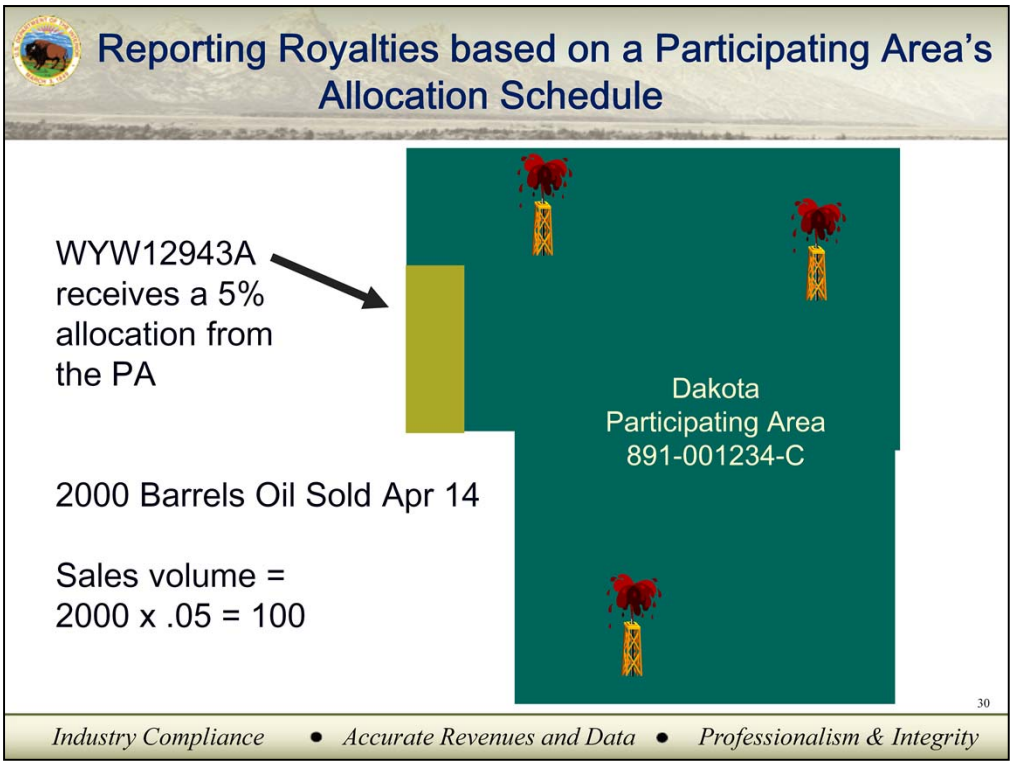
The dark green area is the PA.

PAs usually have multiple wells.

All lands committed to the PA receive an allocated % of production from those wells.

In this example, our Federal lease is receiving an allocated share of the production because the area highlighted in yellow is committed to the PA.

The % of production this lease receives from the PA is based on the acreage committed.



In this example, the lease is receiving a 5% allocation from the PA.

- During the month of April 2014, 2000 barrels of oil are sold from the PA
- The lease would receive 5% of the 2000 barrels or 100 barrels.

Reporting Royalties based on a Participating Area's Allocation Schedule

5 LINE NUMBER	6 RESERVED FOR PREPARER'S USE	7 ONRR LEASE NUMBER			10 PRODUCT CODE	11 SALES TYPE CODE	12 SALES MO/YR (MM/CCYY)	13 TRANSACTION CODE	14 ADJUSTMENT REASON CODE	15 SALES VOLUME (Mcf/bbl/gal/long ton)	
	8 API WELL NUMBER	9 ONRR AGREEMENT NUMBER								19 ROYALTY VALUE PRIOR TO ALLOWANCES $	
1	PA Example	049	012943	A	01	ARMS	042014	01		100	00
		891	001234	C							

5% allocation x 2000 bbls sold =

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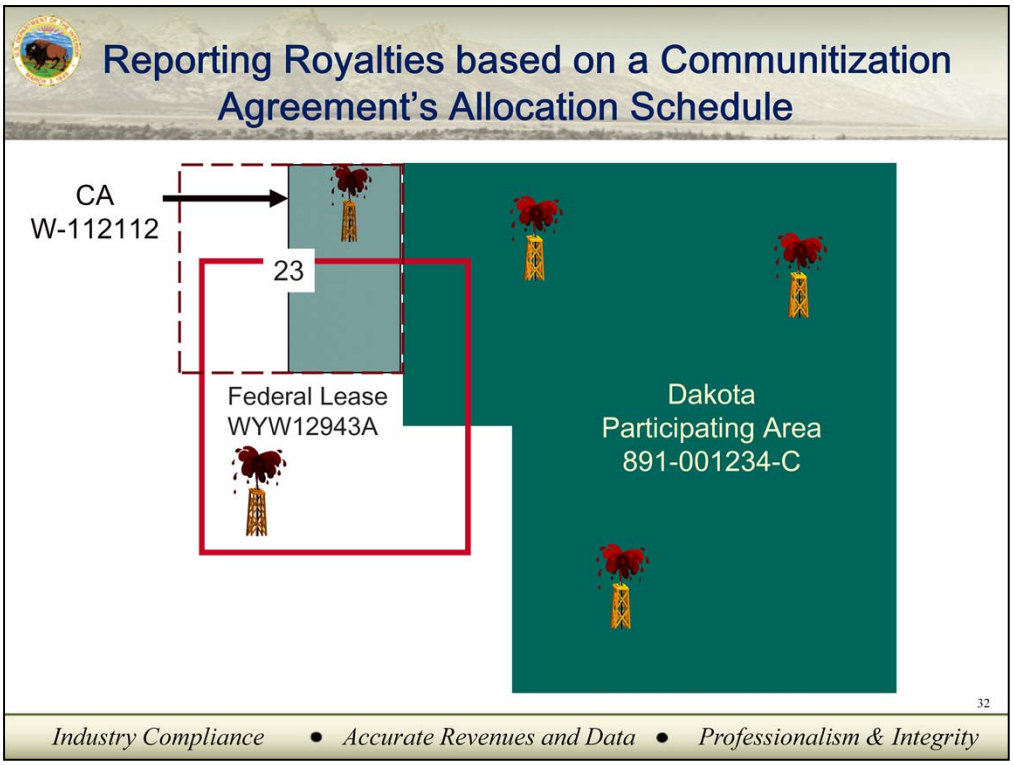
100 barrels would be reported on the Form ONRR-2014 as the sales volume for this lease/agreement combination.

NOTE: both the ONRR lease number and ONRR agreement number are entered on the Form ONRR-2014. When the agreement number is entered it tells ONRR to expect royalties based on an allocation schedule.

ONRR maintains all of the allocation schedules in our system. Therefore, when ONRR sees a specific lease/agreement combination on the Form ONRR-2014, we know exactly what allocated percentage to expect.

If you left off the agreement number in this example, we would expect the sales volume to be 100% of the lease basis production (2000 barrels for this example) and it would appear as if you reported an underpayment.



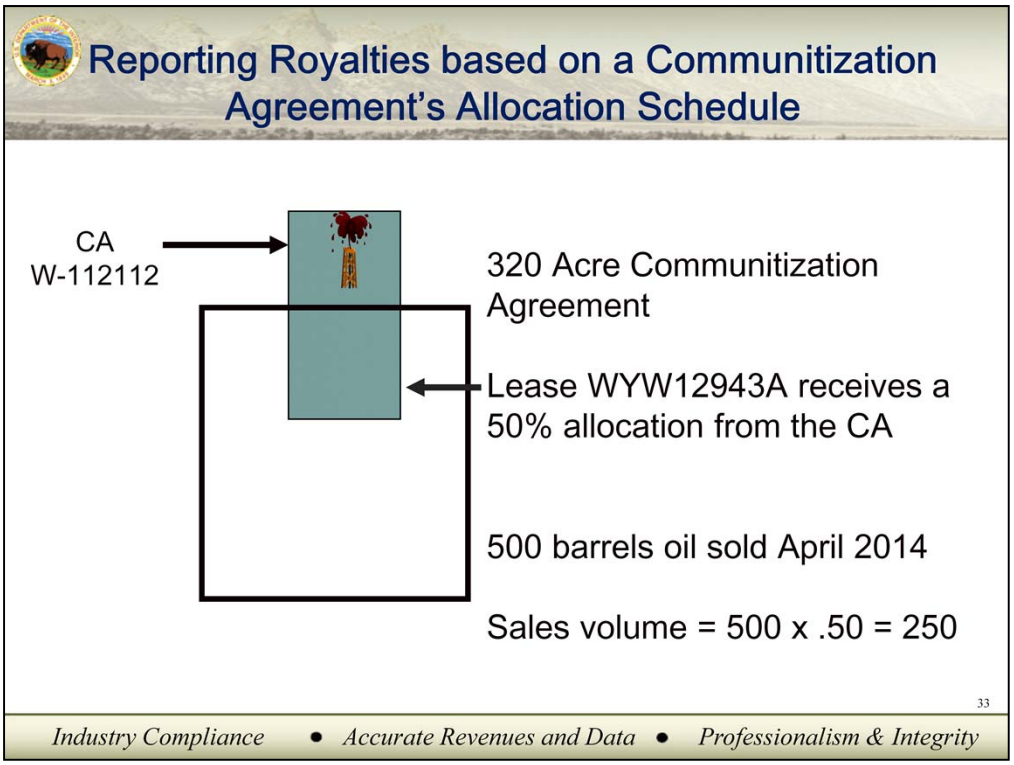
This is an example of reporting royalties on CA production

The area with the dashed lines and the number 23 in the center represents Section 23. This is to illustrate a 320 acre CA in a 640 acre section.

The area shaded in blue stripes is the CA.

Notice the well is not even located on our lease, but the lease will still receive an allocated share of production from the well.

The % of production this lease receives from the CA is based on the acreage committed.



In this example, the lease is receiving a 50% allocation from the CA.

- During the month April, 500 barrels of oil are sold from the CA
- Our lease would receive 50% of the 500 barrels or 250 barrels.
- The portion of the CA outside of our lease would receive the remaining 50%

NOTE: If the remaining 50% portion was a Federal or Indian lease, another line would need to be reported on the Form ONRR-2014.

Reporting Royalties based on a Communitization Agreement's Allocation Schedule

5 LINE NUMBER	6 RESERVED FOR PREPARER'S USE / 8 API WELL NUMBER	7 ONRR LEASE NUMBER / 9 ONRR AGREEMENT NUMBER	10 PRODUCT CODE	11 SALES TYPE CODE	12 SALES MO/YR (MM/CCYY)	13 TRANSACTION CODE	14 ADJUSTMENT REASON CODE	15 SALES VOLUME (Mcf/bbl/gal/long ton) / 19 ROYALTY VALUE PRIOR TO ALLOWANCES $
1	CA Example	049 012943 A	01	ARMS	042014	01		250 00
		W 112112						

50% allocation x 500 bbls sold

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The 250 barrels would be reported as the sales volume on the Form ONRR-2014.

- **Note** the CA agreement number on the Form ONRR-2014. This number tells ONRR to expect to receive royalties on this lease/agreement combination based on 50% of the CA production.

Note the format of the CA number.

Reporting Royalties on Actual and Allocated Production

5 LINE NUMBER	6 RESERVED FOR PREPARER'S USE / 8 API WELL NUMBER	7 ONRR LEASE NUMBER / 9 ONRR AGREEMENT NUMBER	10 PRODUCT CODE	11 SALES TYPE CODE	12 SALES MO/YR (MM/CCYY)	13 TRANSACTION CODE	14 ADJUSTMENT REASON CODE	15 SALES VOLUME (Mcf/bbl/gal/long ton) / 19 ROYALTY VALUE PRIOR TO ALLOWANCES $
1	Lease Basis Example	049 012943 A	01	ARMS	042014	01		750 00
2	PA Example	049 012943 A 891 001242 C	01	ARMS	042014	01		100 00
3	CA Example	049 012943 A W 112112	01	ARMS	042014	01		250 00

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This slide illustrates how all three of the previous examples can be reported on one document

- Please note the 3 separate lines of reporting for the same lease.
- Each line of reporting is for a different source of production on the lease.
  - The 1st is for lease basis production and we would expect royalties to be paid on 100% of production.
  - The 2nd is for PA production and we would expect royalties based on an allocated 5% of production.
  - The 3rd is for CA production and we would expect royalties based on an allocated 50% of production.

Lease level payments are defined in the lease instrument.

The most common are rent and minimum royalty.

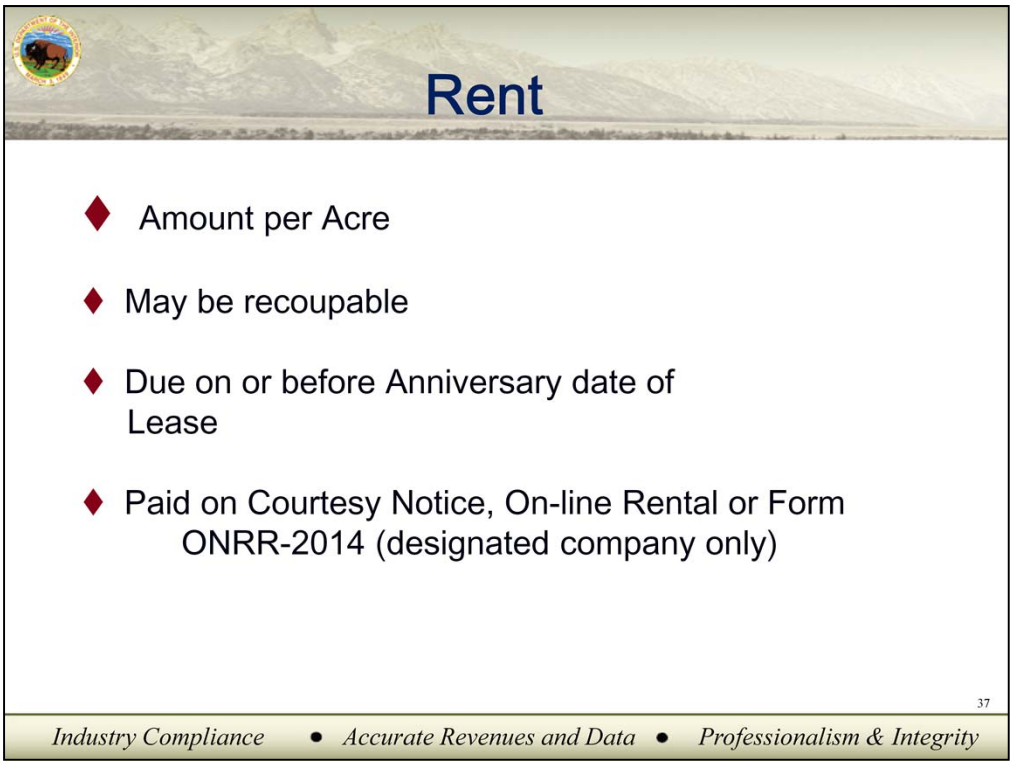
Rent -- The amount of rent due is stipulated in your lease terms and is, except in some circumstances, due on or before the lease anniversary date. Approximately 3 months before the lease anniversary date, we usually send a Notice of Rent Due on Your Lease (courtesy notice) to the payor established in our database. Courtesy notices are sent for Federal leases and geothermal site licenses only. If you do not receive a courtesy notice, do not delay payment, as some leases automatically terminate for nonpayment. For those leases that do not terminate and payment is not received by the due date, we will issue an invoice for the amount due. Interest will be assessed for late payment.

Minimum Royalty -- 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.

Well Fees -- Lease and contract terms may require you to report and pay fees on wells located on certain Federal and Indian leases.

Gas Storage Agreement Fees -- The Federal Government may charge you to use subsurface storage

NOTE: If you have any questions about what lease level payment you are required to pay, review your lease document.



Rent is based on an amount per acre.

Federal onshore leases are currently being issued with a rental obligation of $1.50 an acre with the rent escalating to $2 in the 6th year. However, rents on older leases range from $.50 an acre up.

NOTE: Rents can be higher than $2 an acre on reinstated leases

Indian leases and a few older federal leases have recoupable rental. Rents can be recouped against royalties. Recouping rents will be discussed later.

Rents are due on or before the anniversary date of the lease

Rents can be reported and paid on either a courtesy notice or Form ONRR-2014.

NOTE: If you have reported your rents on Form ONRR-2014, do not remit your courtesy notice. If you have paid your rents via a courtesy notice, do not report your rents on Form ONRR-2014.

ONRR Courtesy Notice

United States Department of the Interior
Office of Natural Resources Revenue (ONRR)
Notice of Annual Rent Due on your Lease: WYW174002
Due Date: 04/01/2014

As of 06-JAN-2014 our records indicate the following (this may not include recent changes to your lease affecting the annual rent):

Acres: 120.0000 Rental Per Acre: $ 2.00 Annual Rental Amount: $ 240.00
Balance of Rent Due: $ 240.00

(Retain this portion for your records)

SAMSON RESOURCES COMPANY
SAMSON PLAZA
2 W 2ND ST
TULSA, OK 74103-3123

Inquiries, Contact:
ONRR PHONE NUM 1-800-525-9167
Refer to Customer Number: 48800
ONRR Lease Number: 0491740020

RNT1003977830000000002400004012014R48800

United States Department of the Interior
Office of Natural Resources Revenue (ONRR)
Notice of Annual Rent Due on your Lease: WYW174002
Due Date: 04/01/2014

As of 06-JAN-2014 our records indicate the following (this may not include recent changes to your lease

Acres: 120.0000
Rental Per Acre: $ 2.00
Annual Rental Amount: $ 240.00

Balance of Rent Due
$ 240.00

Enter Amount Paid _____

MAKE CHECK PAYABLE AND MAIL TO:
Office of Natural Resources Revenue
P.O. Box 25627
Denver, Colorado 80225

DO NOT FOLD OR MUTILATE
****
Failure to return this portion with your payment could result in the erroneous termination of this lease
****

RNT1003977830000000002400004012014R48800

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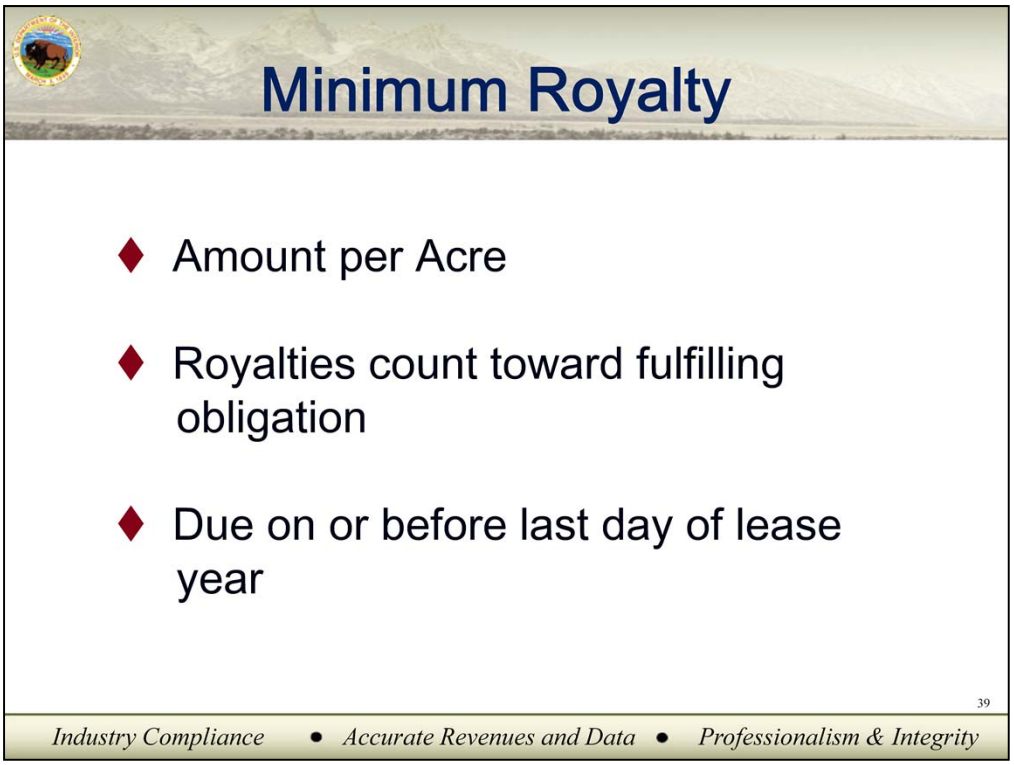

Minimum royalty (MR) is based on an amount per acre.

Federal leases are currently being issued with minimum royalty terms stating MR cannot be less than rent. On new leases that would be $1.50 an acre with the rent escalating to $2 in the 6th lease year.

NOTE: MR can be higher than $2 an acre on reinstated leases

MR is due on or before the last day of the lease year.

Only the difference between the royalties paid during the lease year and the minimum royalty amount is actually due.

- For example: If you have a 200 acre lease with $1.50/acre MR, the MR amount would be $300. If you had royalties totaling $225, the MR due would be $75. ($300-$225=$75). If you had paid royalties totaling $300 or more, MR would not be due.

Rent and Minimum Royalty – Onshore

- Entire lease in rental status from Anniversary Date until: it receives actual or allocated production

- Entire lease will be in a minimum royalty status if:
  - the lease contains a lease basis well
  - the entire lease is within a Participating Area
  - the lease is committed to a Sec. Rec. Unit
  - the lease is committed to a CA

- Lease will be in a split rent/min royalty status when:
  - part of the acres are within a PA and the acreage outside of the PA has no production from any other source

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There are the different situations which affect rent and minimum royalty status.

-Determining rent and minimum royalty status for a lease can be confusing - if you have any questions regarding the status of a lease, first contact your land department (as they may have the information you need). In the event that your land department does not have the information, contact ONRR.

Rent and Minimum Royalty – Offshore

- Entire lease in rental status from Anniversary Date until: it receives actual or allocated production
- Entire lease will be in a minimum royalty status if:
  - the lease contains a producing lease basis well
  - part of lease is within a Participating Area

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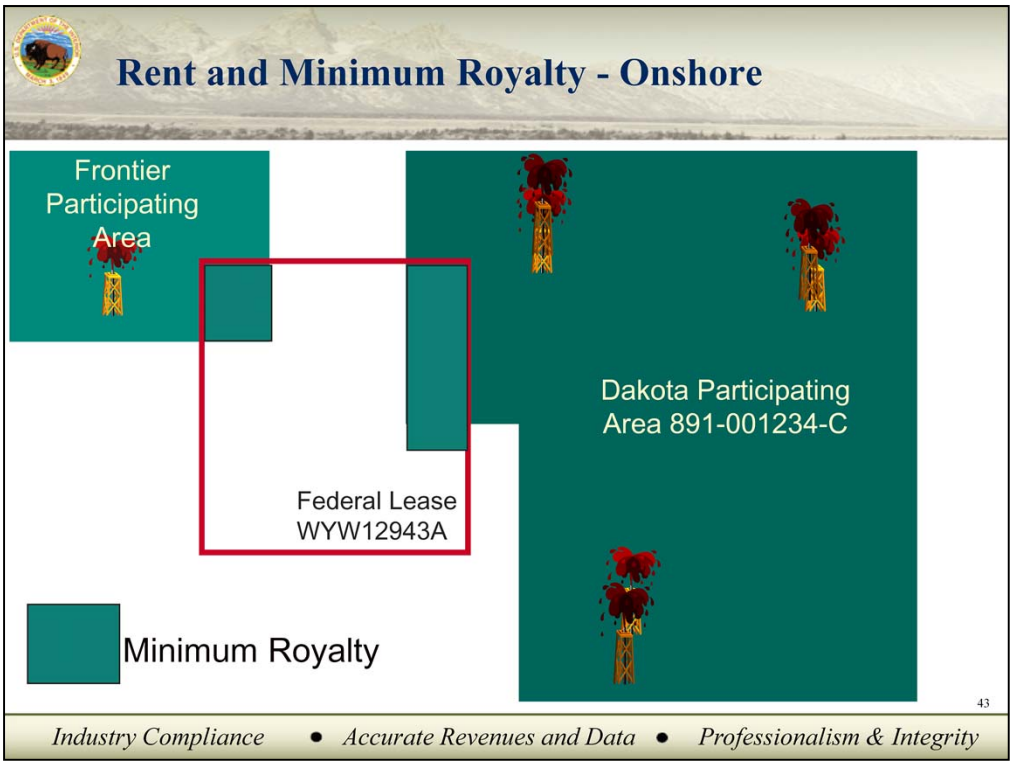
There are the different situations which affect rent and minimum royalty status.

-Determining rent and minimum royalty status for a lease can be confusing - if you have any questions regarding the status of a lease, first contact your land department (as they may have the information you need). In the event that your land department does not have the information, contact ONRR.

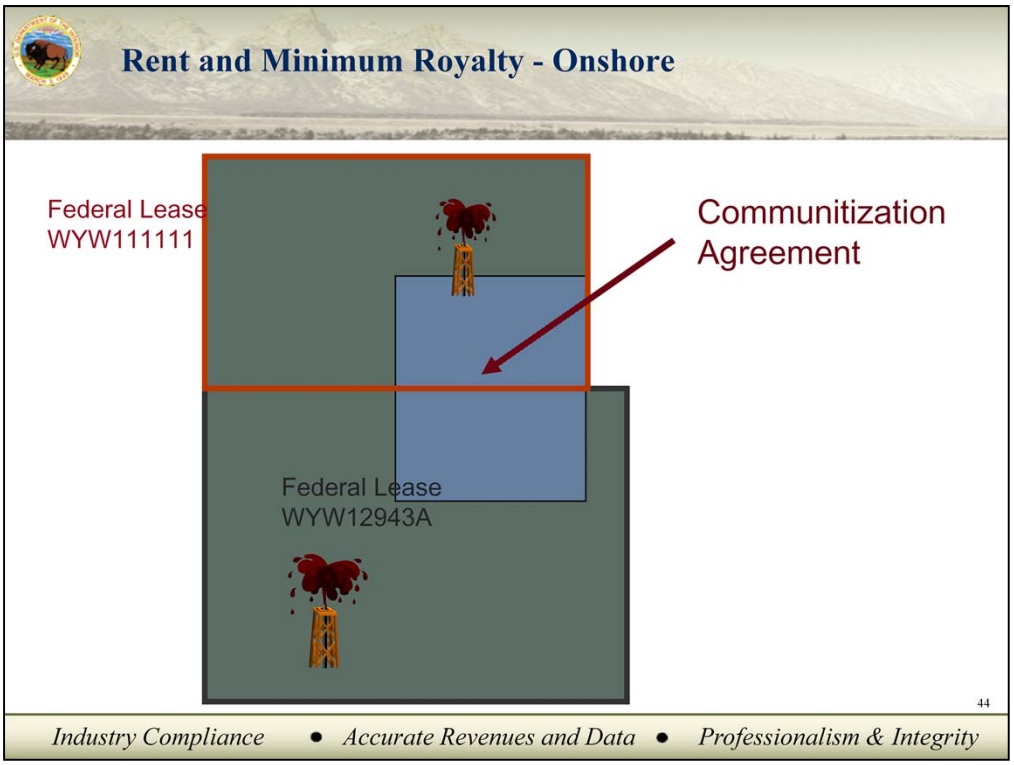
In this example we have a federal lease with a lease basis well.

- Leases containing a lease basis well (a well not committed to a pooling agreement) are entirely subject to MR.



In this example, we have a lease committed to the Frontier PA and the Dakota PA.

- The portion of the lease within the PA's is subject to MR, the portion outside of the PA is subject to rent.



In this example we have 2 leases committed to a Communitization agreement.

- Both leases would be entirely subject to MR because the rule is that leases committed to CA's, Secondary Recovery Units or have a lease basis well are entirely subject to MR.

Questions????

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U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Reporting on Federal Units and Communitization Agreements

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ONRR Establishment of Agreements

- ✓ ONRR receives and maintains all allocations schedules of approved agreements
- ✓ Reporting is compared to allocations established in ONRR systems
- ✓ Companies cannot report on agreement until approval from BLM is received.
- ✓ Reporting must be adjusted back to effective date of CA, PA or PA revision.

Where can you get information on Agreements?

- ✓ Cross Reference Listing on website
- ✓ BLM LR2000
- ✓ Your Landman

Reporting on Federal Units and Communitization Agreements

Properly Allocating Agreement Production

Allocation Schedule

Leucite Hills Unit, Consolidated Frontier/Dakota PA A

891011626A

EXHIBIT "B"
Consolidated Frontier/Dakota Participating Area A

Tract Number	Lease Number or Type of Land	Legal Description	Participating Acreage	Percent of Participation	Working Interest Owners	
Federal						
1	W-053566	T22N, R103W Sec.28; NE¼NW¼, S½NW¼	120.00	9.37500%	Wex Company Sam Resources Bird Oil Dango Production	53.2805% 32.4709% 11.5628% 2.6858%
2	W-053566-A	T22N, R103W Sec.28; NW¼NW¼	40.00	3.12500%	Wex Company Sam Resources Bird Oil Dango Production	53.2805% 32.4709% 11.5628% 2.6858%
3	W-055514	T22N, R103W Sec.28; W½SE¼, NE¼SE¼	120.00	9.37500%	Wex Company Sam Resources Bird Oil Dango Production	53.2805% 32.4709% 11.5628% 2.6858%
4	W-055514-A	T22N, R103W Sec.28; SE¼SE¼	40.00	3.12500%	Wex Company Sam Resources Bird Oil Dango Production	53.2805% 32.4709% 11.5628% 2.6858%
7	W-0265438	T22N, R103W Sec.28; NE¼SW¼	320.00	25.00000%	Wex Company Sam Resources Bird Oil Dango Production	53.2805% 32.4709% 11.5628% 2.6858%
15	Fee	T22N, R103W Sec.29; All	640.00	50.00000%	Wex Company Sam Resources Bird Oil Dango Production	53.2805% 32.4709% 11.5628% 2.6858%

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Allocation Schedule

Leucite Hills Unit, Consolidated Frontier/Dakota PA A
891011626A

Exhibit "B"
Consolidated Frontier/Dakota Participating Area A

Summary

	Total Acreage	Committed Acreage	Non Committed Acreage	Percent of Participation
(5)Federal Lands	640.00	640.00	0.00	50.00%
(1)Fee Lands	640.00	640.00	0.00	50.00%
	1280.00	1280.00	0.00	100.00%

Working Interest Owners	
Wex Company	53.2805%
Sam Resources	32.4709%
Brid Oil	11.5628%
Dango Production	2.6858%
	100.0000%

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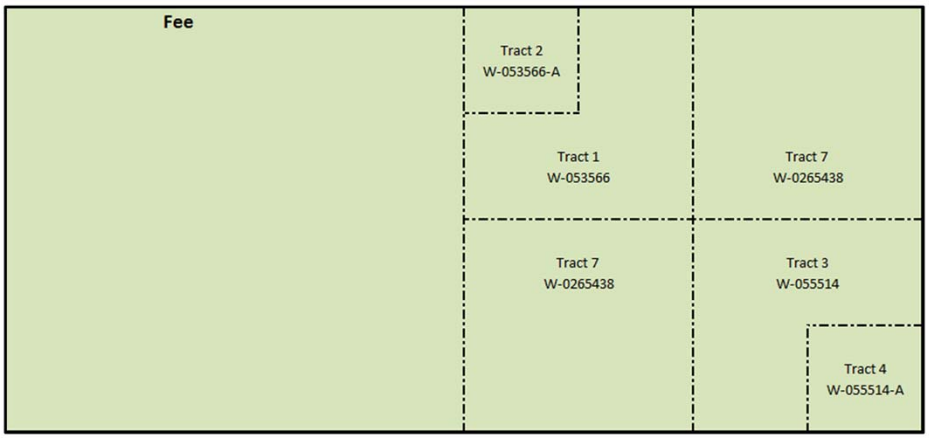
Exhibit C

Consolidated Frontier/Dakota Participating Area A



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Tract #1 -- Reporting Royalties
2000 bbls produced and sold

	Tract 1
Line Number	1
API Well Number	
ONRR Lease Number	0480535660
ONRR Agreement Number	891011626A
Product Code	01
Sales Type Code	ARMS
Sales MO/YR	012012
Transaction Code	01
Adjustment Reason Code	
Sales Volume	187.50

2000 bbls sold X 9.375% allocation = 187.50

Reporting Royalties based on a Participating Area's Allocation Schedule

Tract #2

Lease # 048053566A – 2,000 bbls x 3.125% = 62.50

Tract #3

Lease 0480555140 – 2,000 bbls x 9.375% = 187.50

Tract #4

Lease 048055514A – 2,000 bbls x 3.125% = 62.50

Tract #7

Lease 0482654380 – 2,000 bbls x 25% = 500

Reporting Royalties based on PA's allocation Schedule – All Federal Leases

	Tract 1	Tract 2	Tract 3	Tract 4	Tract 7
Line Number	1	2	3	4	5
API Well Number					
ONRR Lease Number	0480535660	048053566A	0480555140	048055514A	0482654380
ONRR Agreement Number	891011626A	891011626A	891011626A	891011626A	891011626A
Product Code	01	01	01	01	01
Sales Type Code	ARMS	ARMS	ARMS	ARMS	ARMS
Sales MO/YR	012012	012012	012012	012012	012012
Transaction Code	01	01	01	01	01
Adjustment Reason Code					
Sales Volume	187.50	62.50	187.50	62.50	500.00

Don't forget to include the Agreement Number on the 2014

Properly Allocating Agreement Production

The following examples demonstrate each working interest owner paying royalties

Working Interest Ownership
891011626A

Wex Company	53.2805%
Same Resources	32.4709%
Brid Oil	11.5628%
Dango Production	2.6858%

Royalty Reporting by Multiple Payors By Interest Ownership Percentage

	Wex Company
Line Number	1
API Well Number	
ONRR Lease Number	0480535660
ONRR Agreement Number	891011626A
Product Code	01
Sales Type Code	ARMS
Sales MO/YR	012012
Transaction Code	01
Adjustment Reason Code	
Sales Volume	99.90

2000 bbls x 9.375% x 53.2805% = 99.90

Royalty Reporting by Multiple Payors
Wex Company

Tract #2

Lease 048053566A: 2000 bbls x 3.125% x 53.2805% = 33.30

Tract #3

Lease 0480555140: 2000 bbls x 9.375% x 53.2805% = 99.90

Tract #4

Lease 048055514A: 2000 bbls x 3.125% x 53.2805% = 33.30

Tract #7

Lease 0482654380: 2000 bbls x 25% x 53.2805% = 266.40

{Total production-PA} x {% of Participation} x {Working Interest %}

Royalty Reporting by Multiple Payors
Same Resources

Tract #1
Lease 0480535660: 2000 bbls x 9.375% x 32.4709% = 60.88
Tract #2
Lease 048053566A: 2000 bbls x 3.125% x 32.4709% = 20.29
Tract #3
Lease 0480555140: 2000 bbls x 9.375% x 32.4709% = 60.88
Tract #4
Lease 048055514A: 2000 bbls x 3.125% x 32.4709% = 20.29
Tract #7
Lease 0482654380: 2000 bbls x 25% x 32.4709% = 162.35

{Total production-PA} x {% of Participation} x {Working Interest %}

Royalty Reporting by Multiple Payors
Bird Oil

Tract #1
Lease 0480535660: 2000 bbls x 9.375% x 11.5628% = 21.68
Tract #2
Lease 048053566A: 2000 bbls x 3.125% x 11.5628% = 7.23
Tract #3
Lease 0480555140: 2000 bbls x 9.375% x 11.5628% = 21.68
Tract #4
Lease 048055514A: 2000 bbls x 3.125% x 11.5628% = 7.23
Tract #7
Lease 0482654380: 2000 bbls x 25% x 11.5628% = 57.82

{Total production-PA} x {% of Participation} x {Working Interest %}

Royalty Reporting by Multiple Payors
Dango Production

Tract #1
Lease 0480535660: 2000 bbls x 9.375% x 2.6858% = 5.04
Tract #2
Lease 048053566A: 2000 bbls x 3.125% x 2.6858% = 1.68
Tract #3
Lease 0480555140: 2000 bbls x 9.375% x 2.6858% = 5.04
Tract #4
Lease 048055514A: 2000 bbls x 3.125% x 2.6858% = 1.68
Tract #7
Lease 0482654380: 2000 bbls x 25% x 2.6858% = 13.43

{Total production-PA} x {% of Participation} x {Working Interest %}

Double Check Totals

	Wex	Sam	Bird	Dango	Total
Tract 1	99.90	60.88	21.68	5.04	187.50
Tract 2	33.30	20.29	7.23	1.68	62.50
Tract 3	99.90	60.88	21.68	5.04	187.50
Tract 4	33.30	20.29	7.23	1.68	62.50
Tract 7	266.40	162.35	57.82	13.43	500.00
	Total	Total	Total	Total	Total
	532.80	324.69	115.64	26.87	1,000.00

Properly Allocating Agreement Production

The following example demonstrates reporting on a lease that is less than 100%

Reporting Royalties on a Participating Lease with less than 100% Federal Interest

0482654380 80% Federal Interest

Total Sales X Federal Portion X Allocation = Sales Volume

2000 bbls X .80 X .25 = 400

Reporting Royalties on a Participating Lease with less than 100% Federal Interest

Line Number	1
API Well Number	
ONRR Lease Number	0482654380
ONRR Agreement Number	891011626A
Product Code	01
Sales Type Code	ARMS
Sales MO/YR	012012
Transaction Code	01
Adjustment Reason Code	
Sales Volume	400.00

2000 Bbls X .80 X .25 = 400

Properly Allocating Agreement Production

The following example demonstrates reporting by multiple payors on a lease that is less than 100% Federal

Reporting Royalties on a Participating Lease with less than 100% Federal Interest

Wex Company 53.2805% interest in lease 482654380

Total Sales X Federal Portion X Allocation X Ownership % = Sales Volume

2000 bbls X .80 X .25 X .532805 = 213.122

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Reporting on Federal Units and Communitization Agreements

Common Reporting Errors

- ✓ **Missing Agreement number** when reporting royalties on production from an agreement.
- ✓ **Incorrect Allocation to leases**
  - ✓ Entire volume of production from the agreement reported as the sales volume on the 2014.
  - ✓ Agreement production reported on one lease when there are several leases receiving an allocation.

Adjusting Royalty Reporting

PA Revisions

Exhibit C
Consolidated Frontier/Dakota Participating Area A

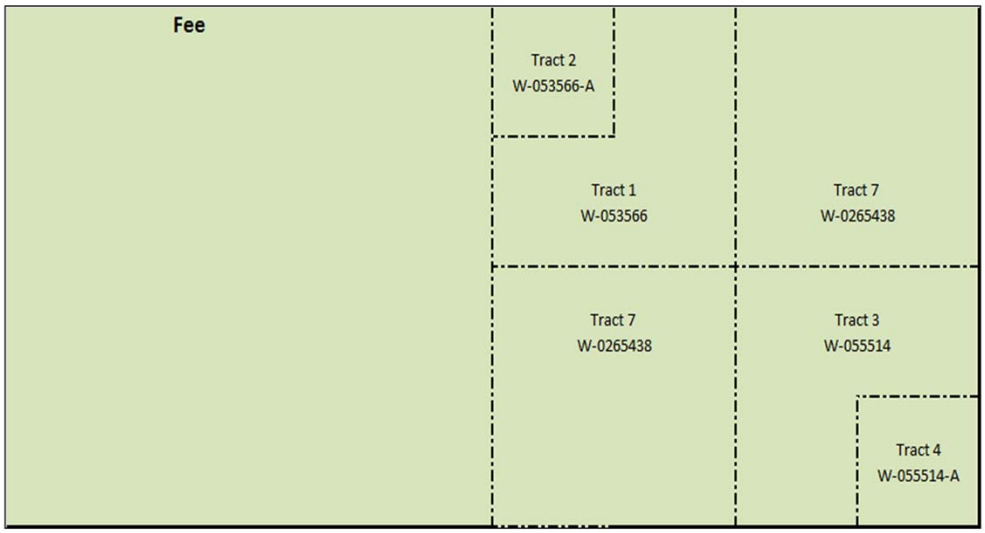

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Exhibit C
Consolidated Frontier/Dakota Participating Area A

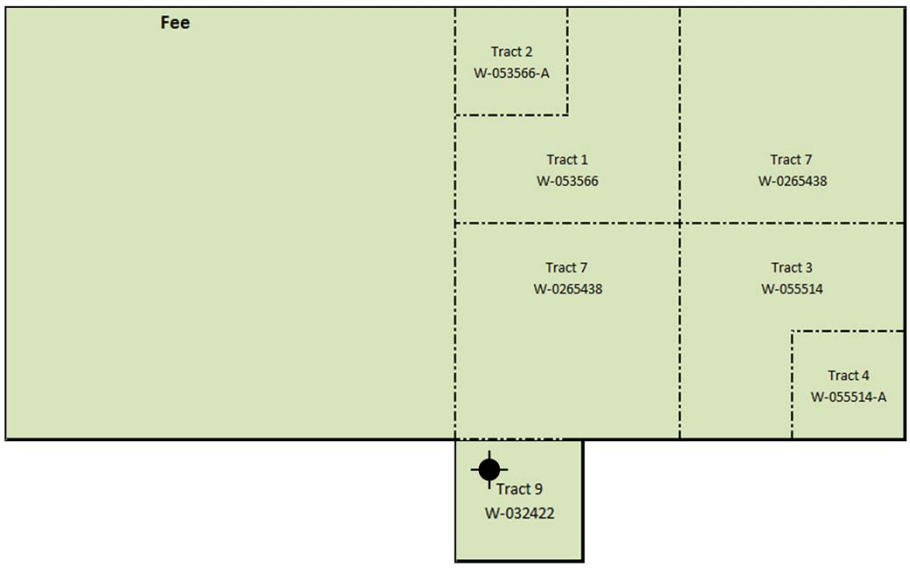

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Exhibit B
1st Revision Consolidated Frontier/Dakota Participating Area A

EXHIBIT "B"
Consolidated Frontier/Dakota Participating Area A

Tract Number	Lease Number or Type of Land	Legal Description	Participating Acreage	Percent of Participation	Working Interest Owners	
Federal						
1	W-053566	T22N, R103W Sec.28; NE¼NW¼, S½NW¼	120.00	9.09090%	Wex Company Sam Resources Bird Oil Dango Production	53.2805% 32.4709% 11.5628% 2.6858%
2	W-053566-A	T22N, R103W Sec.28; NW¼NW¼	40.00	3.03030%	Wex Company Sam Resources Bird Oil Dango Production	53.2805% 32.4709% 11.5628% 2.6858%
3	W-055514	T22N, R103W Sec.28; W½SE¼, NE¼SE¼	120.00	9.09090%	Wex Company Sam Resources Bird Oil Dango Production	53.2805% 32.4709% 11.5628% 2.6858%
4	W-055514-A	T22N, R103W Sec.28; SE¼SE¼	40.00	3.03030%	Wex Company Sam Resources Bird Oil Dango Production	53.2805% 32.4709% 11.5628% 2.6858%
7	W-0265438	T22N, R103W Sec.28; NE¼SW¼	320.00	24.24240%	Wex Company Sam Resources Bird Oil Dango Production	53.2805% 32.4709% 11.5628% 2.6858%
9	W-032422	T22N, R103W Sec.28; NW¼SW¼	40.00	3.03030%	Latecomer Inc	100%
15	Fee	T22N, R103W Sec.29; All	640.00	48.48480%	Wex Company Sam Resources Bird Oil Dango Production	53.2805% 32.4709% 11.5628% 2.6858%

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Reversals and Rebooks when moving from Lease to Unit PA

	Reversal	Rebook
Line Number	1	2
API Well Number		
ONRR Lease Number	0480324220	0480324220
ONRR Agreement Number		891011626A
Product Code	01	01
Sales Type Code	ARMS	ARMS
Sales MO/YR	012012	012012
Transaction Code	01	01
Adjustment Reason Code	35	35
Sales Volume	-500.00	75.76

2500 bbls sold X 3.0303% allocation = 75.7575

Adjusting Royalties based on a Participating Area Revision

	Reversal	Rebook
Line Number	1	2
API Well Number		
ONRR Lease Number	0480535660	0480535660
ONRR Agreement Number	891011626A	891011626A
Product Code	01	01
Sales Type Code	ARMS	ARMS
Sales MO/YR	012012	012012
Transaction Code	01	01
Adjustment Reason Code	35	35
Sales Volume	-187.50	227.27

2500 bbls sold X 9.0909% allocation = 227.2725

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Communitization Agreements Scenarios

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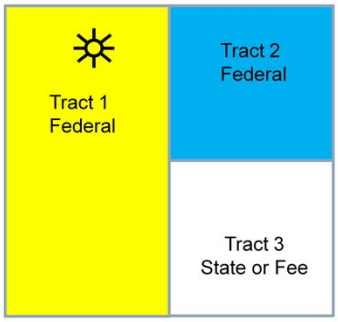
Scenario 1

Gusher #1 well,
API # 151030086000

Well completed on Federal lands after CA approval



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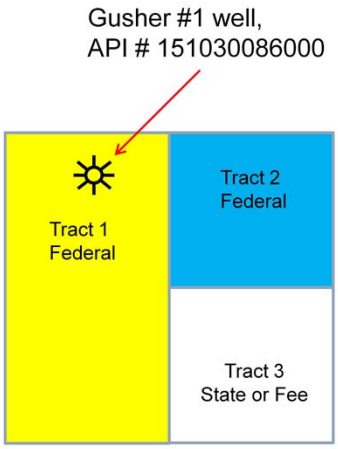
Scenario 1 – Well Completed on Federal Lands after CA Approval

- ✓ The CA was approved in October 2012.
- ✓ The well was completed and 1st Production occurred in January 2013.
- ✓ 10,000 Mcf was produced with a Btu content of 1,050.
- ✓ No gas was used on the CA for fuel.



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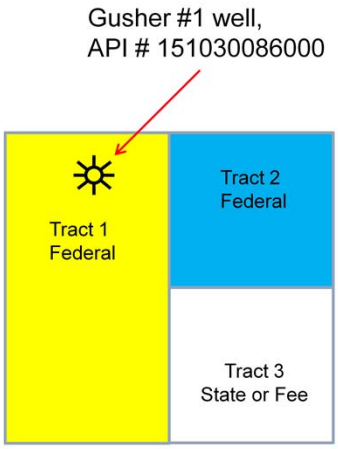
Scenario 1 – Well Completed on Federal Lands after CA Approval

- ✓ The operator, ABC Company, marketed the production and paid all the royalties.
- ✓ The gas was sold at the wellhead in arm's-length transaction for $2.50 per MMBtu
- ✓ All leases have a royalty rate of 12.5%.



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Scenario 1 – Well Completed on Federal Lands after CA Approval

Exhibit 'B'
Communitization Agreement WYW135246

Tract Number	Lease Number or Type of Land	Legal Description	Participating Acreage	Percent of Participation	Working Interest Owners
1	WYW0123456	T22N, R103W	320	50.00000%	ABC Company 75.0000%
		Sec 28, W1/2			XYZ Company 25.0000%
2	WYW0987654	T22N, R103W	160	25.00000%	ABC Company 100.0000%
		Sec 28, NE1/4			
3	State 04-111	T22N, R103W	160	25.00000%	MNO Company 100.0000%
		Sec 28, SE1/4			

Summary

Federal	480.00	75.0000%
State	160.00	25.0000%
	640.00	100.0000%

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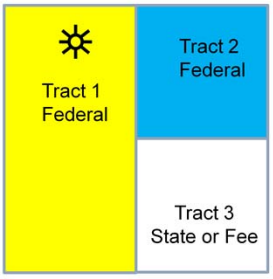
Scenario 1 – Well Completed on Federal Lands after CA Approval

Reporting on the ONRR-2014 – Federal CA Tracts 1 & 2

	Tract 1	Tract 2
Line Number	1	2
API Well Number		
ONRR Lease Number	0481234560	0489876540
ONRR Agreement Number	W 135246	W 135246
Product Code	04	04
Sales Type code	ARMS	ARMS
Sales MO/YR	012010	012010
Transaction Code	01	01
Adjustment Reason Code		
Sales Volume	5000.00	2500.00
Gas MMBtu	5250.00	2625.00
Sales Value	13125.00	6562.50
Royalty Value Prior to Allowances	1640.63	820.31
Transportation Allow. Deduction		
Processing Allowance Deduction		
Royalty Value Less Allowances	1640.63	820.31
Payment Method Code	3	3



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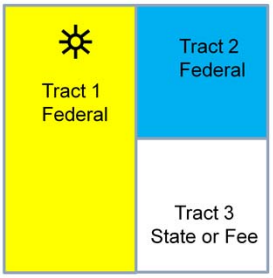
Scenario 1 – Well Completed on Federal Lands after CA Approval

Key Points

- **OGOR** – Report the total production from the CA on the OGOR
- **ONRR-2014** – Do not report all of the production from the well on Tract 1 to Tract 1. Instead, allocate the production from that well (i.e., the total production from the CA) to each tract based upon the tract allocation percentages.



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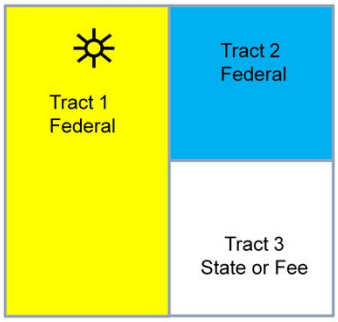
Scenario 2

Gusher #1 well,
API # 151030086000

Well completed on Federal lands before CA approval



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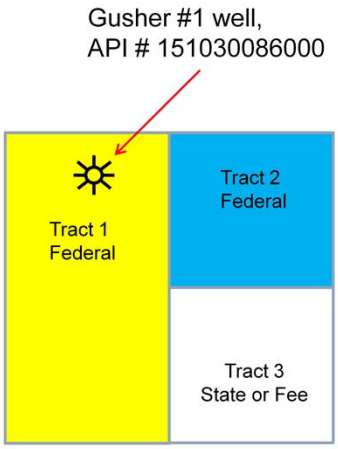
Scenario 2 – Well Completed on Federal Lands before CA Approval

- ✓ Well is completed on Federal lease WYW0123456 and first production occurred in January 2010.
- ✓ 10,000 Mcf was produced with a Btu content of 1,050.
- ✓ No gas was used on the CA for fuel.



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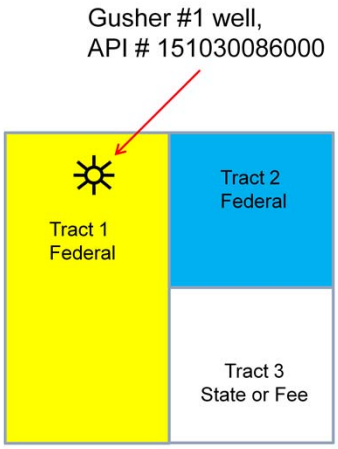
Scenario 2 – Well Completed on Federal Lands before CA Approval

- ✓ The operator, ABC Company, marketed the production on behalf of all working interest owners and paid all the royalties.
- ✓ The gas was sold at the wellhead in arm's-length transaction for $2.50 per MMBtu
- ✓ All leases have a royalty rate of 12.5%.



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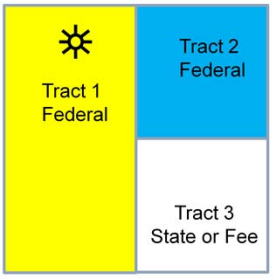
Scenario 2 – Well Completed on Federal Lands before CA Approval

Reporting on the ONRR-2014 – Federal Lease WYW0123456

Line Number	1
API Well Number	
ONRR Lease Number	0481234560
ONRR Agreement Number	Leave Blank
Product Code	04
Sales Type code	ARMS
Sales MO/YR	012010
Transaction Code	01
Adjustment Reason Code	
Sales Volume	10000.00
Gas MMBtu	10500.00
Sales Value	26250.00
Royalty Value Prior to Allowances	3281.25
Transportation Allowance Deduction	
Processing Allowance Deduction	
Royalty Value Less Allowances	3281.25
Payment Method Code	3



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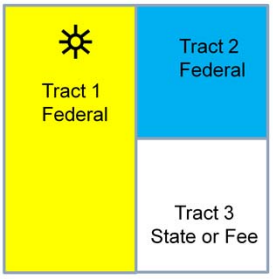
Scenario 2 – Well Completed on Federal Lands before CA Approval

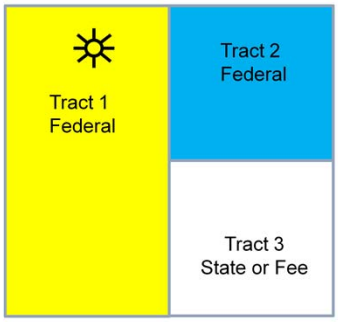
Key Points

- **OGOR** – Report as lease basis until CA approval
- **ONRR-2014** – Report as lease basis until CA approval



Scenario 2a

CA Approved to be Effective Retroactive to Well Completion



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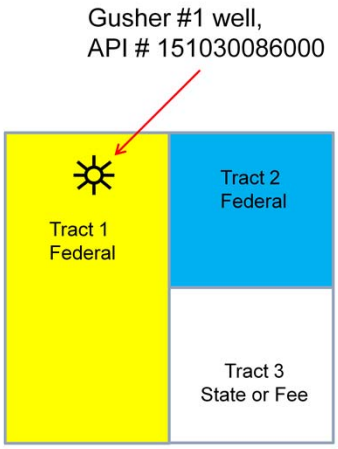
Scenario 2a – CA Approved to be Effective Retroactive to Well Completion

- ✓ The CA is approved in March 2010.
- ✓ The CA is effective retroactive to the well completion date, January 1, 2010.
- ✓ Since the operator marketed the production and paid the royalties, they will make all the adjustments.
- ✓ Both Federal leases have a 12.5% royalty rate.



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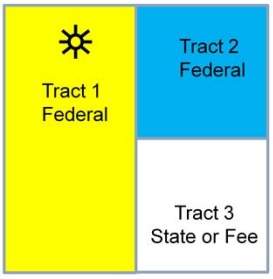
Scenario 2a – CA Approved to be Effective Retroactive to Well Completion

	Lease Basis Reverse	Tract 1 Rebook	Tract 2 Rebook
Line Number	1	2	3
API Well Number			
ONRR Lease Number	0481234560	0481234560	0489876540
AGENCY Agreement Number		W 135246	W 135246
Product Code	04	04	04
Sales Type code	ARMS	ARMS	ARMS
Sales MO/YR	012010	012010	012010
Transaction Code	01	01	01
Adjustment Reason Code	35	35	35
Sales Volume	-10000.00	5000.00	2500.00
Gas MMBtu	-10500.00	5250.00	2625.00
Sales Value	-26250.00	13125.00	6562.50
Royalty Value Prior to Allowances	-3281.25	1640.63	820.31
Transportation Allowance Deduction			
Processing Allowance Deduction			
Royalty Value Less Allowances	-3281.25	1640.63	820.31
Payment Method Code	3	3	3



Total = -820.31 → $820.31 allocated to State Tract

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Scenario 2a – CA Approved to be Effective Retroactive to Well Completion

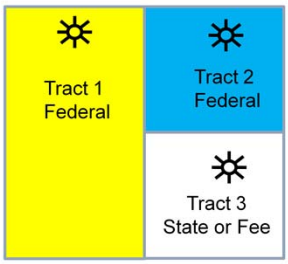
- **Key Points-** After CA approval:
- **OGOR – Update Production Reports as follows:**
- If the well is the only well on the lease, or if all the wells on the lease are being moved to the CA at the same time, contact ONRR to deactivate the prior lease-basis reporting.
- If there are multiple wells on the lease and this is the only CA well, submit a modify or replace report to remove the prior reporting from the lease.
- Once the well is removed from the lease, submit original reports for the CA retroactive to the well completion date.

Scenario 2a – CA Approved to be Effective Retroactive to Well Completion

- **Key Points** – After CA approval:
- **ONRR-2014** – Update royalty reports as follows:
- Submit adjusting entries backing out the lease-basis reporting using ARC 35.
- Submit reporting for CA retroactive to the well completion date using ARC 35.
  - Include both the applicable lease numbers and the CA agreement number on your report.
  - Report in accordance with the CA allocation schedule.
- Both adjusting entries backing out lease-basis reporting and new CA reporting should be on the same report.

Scenario 3

Multiple wells in CA – Each working interest owner reports royalties on its share of production



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Scenario 3 – Multiple wells in CA; each working interest owner reports on its share of production

Exhibit 'B'
Communitization Agreement WYW135246

Tract Number	Lease Number or Type of Land	Legal Description	Participating Acreage	Percent of Participation	Working Interest Owners	
1	WYW0123456	T22N, R103W Sec 28, W1/2	320	50.00000%	ABC Company XYZ Company	75.0000% 25.0000%
2	WYW0987654	T22N, R103W Sec 28, NE1/4	160	25.00000%	ABC Company	100.0000%
3	State 04-111	T22N, R103W Sec 28, SE1/4	160	25.00000%	MNO Company	100.0000%

Summary

Federal	480.00	75.0000%
State	160.00	25.0000%
	640.00	100.0000%

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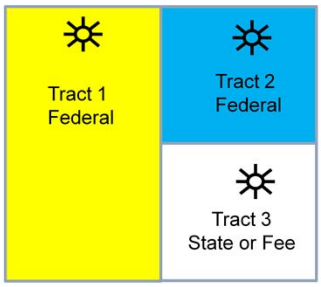
Scenario 3 – Multiple wells in CA; each working interest owner reports on its share of production

- In July of 2010, there were three producing wells in the CA:
-
- Tract 1 - Gusher #1, API Number 490050086000
- Tract 2 - Gusher #2, API Number 490050086200
- Tract 3 - Gusher #3, API Number 490050086400



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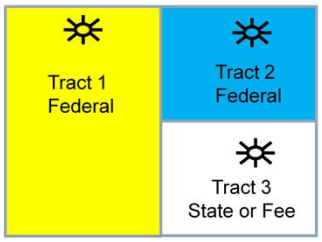
Scenario 3 – Multiple wells in CA; each working interest owner reports on its share of production

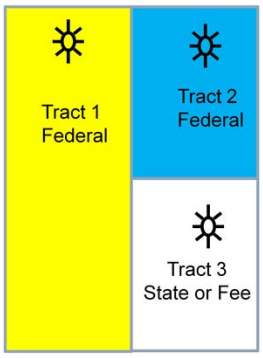
Production was as follows:

Well	Mcf	Btu Content	MMBtu
Gusher #1	10000	1050	10500
Gusher #2	4000	1048	4192
Gusher #3	2000	1054	2108
Total	16000	1050	16800



Scenario 3 – Multiple wells in CA; each working interest owner reports on its share of production

- Each working interest owner takes and sells its share of production from the CA and reports and pays royalties on its own leases.
- No gas was used on the CA for fuel.
- The gas was sold at the wellhead in arm's length transactions.
- All leases have a royalty rate of 12.5%.



Scenario 3 – Multiple wells in CA; each working interest owner reports on its share of production

Payor Code	12333
Payor Name	ABC Company
Federal/Indian	F
Payor Assigned Doc. Number	20100100

	Tract 1	Tract 2
Line Number	1	2
API Well Number		
ONRR Lease Number	0481234560	0489876540
ONRR Agreement Number	W135246	W135246
Product Code	04	04
Sales Type code	ARMS	ARMS
Sales MO/YR	072010	072010
Transaction Code	01	01
Adjustment Reason Code		
Sales Volume	6000.00	4000.00
Gas MMBtu	6300.00	4200.00
Sales Value	15750.00	10500.00
Royalty Value Prior to Allowances	1968.75	1312.50
Transportation Allowance Deduction		
Processing Allowance Deduction		
Royalty Value Less Allowances	1968.75	1312.50
Payment Method Code	3	3

Scenario 3 – Multiple wells in CA; each working interest owner reports on its share of production

Payor Code	13579
Payor Name	XYZ Company
Federal/Indian	F
Payor Assigned Doc. Number	20100100

	Tract 1
Line Number	1
API Well Number	
ONRR Lease Number	0481234560
ONRR Agreement Number	W135246
Product Code	04
Sales Type code	ARMS
Sales MO/YR	012010
Transaction Code	01
Adjustment Reason Code	
Sales Volume	2000.00
Gas MMBtu	2100.00
Sales Value	5250.00
Royalty Value Prior to Allowances	656.25
Transportation Allowance Deduction	
Processing Allowance Deduction	
Royalty Value Less Allowances	656.25
Payment Method Code	3

Scenario 3 – Multiple wells in CA; each working interest owner reports on its share of production

- **Key points:**

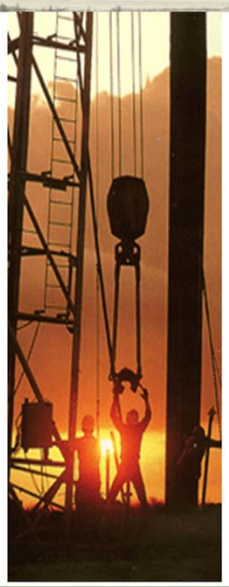
  •**OGOR Report:**
  •The unit operator files the OGOR report for the agreement as a whole and reports all production for all interest owners.

  •**Form ONRR-2014:**
  •Each working interest owner files its own ONRR-2014 based on its working interest share (i.e., entitlements share) of the total agreement production allocated to the Federal lease(s) in which they have an interest.

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Exploratory Units and Participating Areas Scenarios



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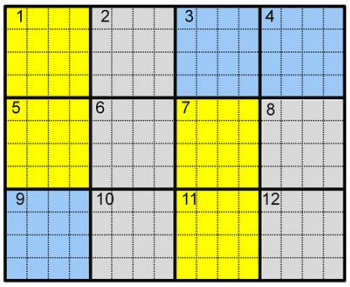
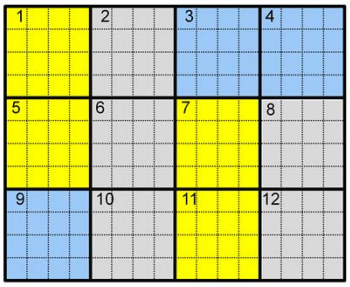
Scenario 1

Reporting on initial test well drilled within an approved Exploratory Unit



Scenario 1 - Reporting on initial test well drilled within an approved Exploratory Unit

- The interest owners of 12 leases submit a proposal to BLM to form the "RMMLF Unit" and it is approved on January 15, 2010.
- Tracts 1, 5, 7 and 11 are federal leases, tracts 3, 4 and 9 are state leases, and the remaining tracts are fee leases.
- The standard federal exploratory agreement form is used.
- The operator of the unit is XYZ Company.
- All formations are unitized.
- The agreement # is NMNM321234X



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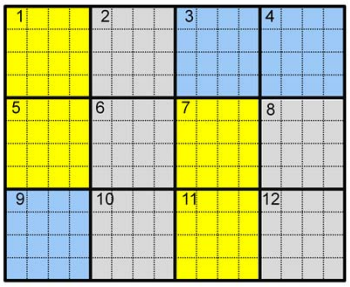
Scenario 1 - Reporting on initial test well drilled within an approved Exploratory Unit

- The initial obligation well is drilled in the San Andres formation on April 1, 2010 on lease #NMNM98789
- The operator submits the necessary paperwork to the BLM and requests a paying well determination (PWD)
- This initial well is API #300395524000
- The 1st month of production is 04/2010
- Initial production is 10000 MCF with a BTU of 1050



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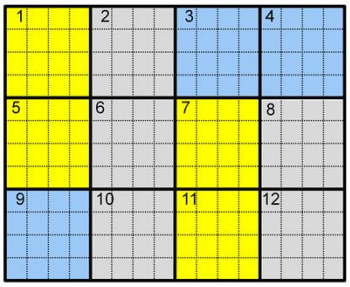
Scenario 1 - Reporting on initial test well drilled within an approved Exploratory Unit

Prior to PWD
Reporting on the ONRR-2014 – Tract 7 is Federal Lease NMNM98789

Line Number	1
API Well Number	
ONRR Lease Number	0300987890
ONRRAgreement Number	
Product Code	04
Sales Type code	ARMS
Sales MO/YR	042010
Transaction Code	01
Adjustment Reason Code	
Sales Volume	10000.00
Gas MMBtu	10500.00
Sales Value	26250.00
Royalty Value Prior to Allowances	3281.25
Transportation Allowance Deduction	
Processing Allowance Deduction	
Royalty Value Less Allowances	3281.25
Payment Method Code	3



Payor Code	13579
Payor Name	XYZ Company
Federal/Indian	F
Payor Assigned Doc. Number	**20100200**

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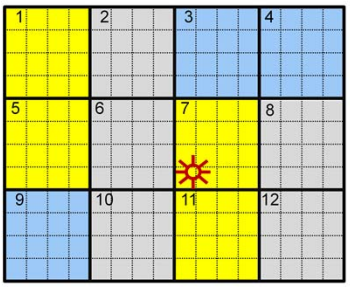
Scenario 1 - Reporting on initial test well drilled within an approved Exploratory Unit

Key Points – Before PWD:

- **OGOR Reports** – Report on the exploratory unit agreement until PWD.
- **ONRR-2014** – Report as lease basis until PWD.
- **Note***: Exploratory unit agreement numbers are never reported on the ONRR-2014.*



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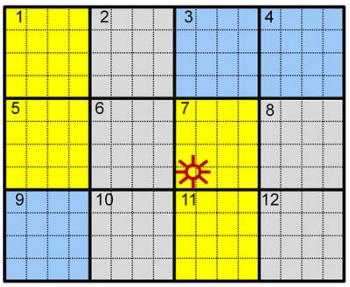
Scenario 1a

Well Determined to be Non-Paying



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Scenario 1a - Reporting on initial test well drilled within an approved Exploratory Unit

Key Points – Non-Paying well determination

OGOR –

- Contact ONRR to deactivate the prior exploratory unit agreement reporting and then submit an original report for the lease.

ONRR-2014 –

- Continue to report as lease basis.

Note: *Once the well is determined to be a non-paying well it is no longer a unit well and is strictly treated as a lease basis well on both the OGOR and ONRR-2014.*

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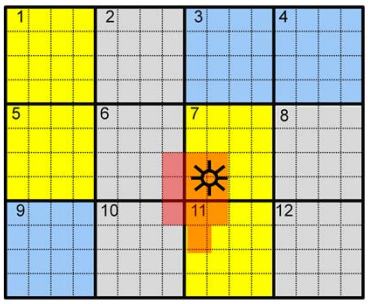
Scenario 1b

Exhibit B
Well Determined to be Paying – San Andres Participating Area Formed



Scenario 1b – Reporting on an approved Participating Area

Exhibit 'B'
RMMLF Unit, Initial San Andres Participating Area

Tract Number	Lease Number or Type of Land	Legal Description	Participating Acreage	Percent of Participation	Working Interest Owners	
6	Fee	T17S, R29E Sec 21, E1/2SE1/4	80	20.00000%	Big Oil Company Red Rig Company	75.0000% 25.0000%
10	Fee	T17S, R29E Sec 28, NE1/4NE1/4	40	10.00000%	Big Oil Company	100.0000%
7	NMNM98789	T17S, R29E Sec 22, SW1/4	160	40.00000%	Big Oil Company	100.0000%
11	NMNM65655	T17S, R29E Sec 27, N1/2NW1/4 SW1/4NW1/4	120	30.00000%	Big Oil Company Derrick Inc.	50.0000% 50.0000%

Summary

Federal	280.00	70.0000%
Fee	120.00	30.0000%
	400.00	100.0000%

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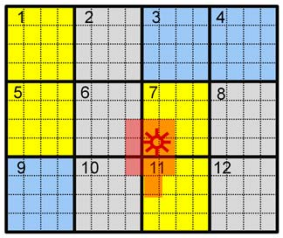
Scenario 1b – Reporting on an approved Participating Area

Reporting on ONRR- 2014 for Big Oil Company

Reverse lease basis line and submit new lines in accordance with allocation schedule. Use ARC 35 on both the reversing entries and the rebooks. Net adjustments are not allowed.

	Reverse lease basis	Tract 7	Tract 11
Line Number	1	2	3
API Well Number			
ONRR Lease Number	0300987890	0300987890	0300656550
ONRR Agreement Number		NM 321234A	NM 321234A
Product Code	04	04	04
Sales Type code	ARMS	ARMS	ARMS
Sales MO/YR	042010	042010	042010
Transaction Code	01	01	01
Adjustment Reason Code	35	35	35
Sales Volume	-10000.00	4000.00	1500.00
Gas MMBtu	-10500.00	4200.00	1575.00
Sales Value	-26250.00	10500.00	3937.50
Royalty Value Prior to Allowances	-3281.25	1312.50	492.19
Transportation Allow. Deduction			
Processing Allowance Deduction			
Royalty Value Less Allowances	-3281.25	1312.50	492.19
Payment Method Code	3	3	3



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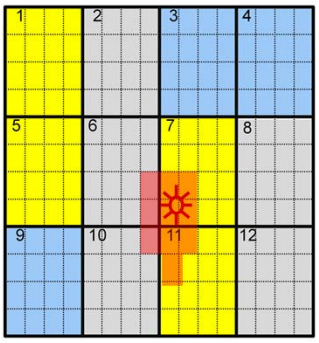
Scenario 1b – Reporting on an approved Participating Area

Reporting on ONRR-2014 for Derrick Inc.

	Tract 11
Line Number	1
API Well Number	
ONRR Lease Number	0300656550
ONRR Agreement Number	NM 321234A
Product Code	04
Sales Type code	ARMS
Sales MO/YR	042010
Transaction Code	01
Adjustment Reason Code	
Sales Volume	1500.00
Gas MMBtu	1575.00
Sales Value	3937.50
Royalty Value Prior to Allowances	492.19
Transportation Allow. Deduction	
Processing Allowance Deduction	
Royalty Value Less Allowances	492.19
Payment Method Code	3



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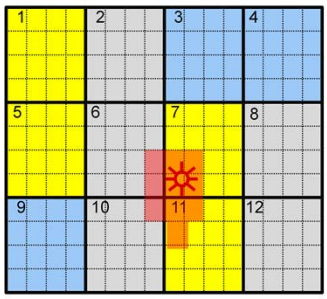
Scenario 1b - Reporting on an approved Participating Area

Key Points –Paying well determination – Initial PA approved

OGOR – Update Production Reports as follows:

- The well in this scenario is the only well in the exploratory unit agreement, so you would contact ONRR to deactivate the prior exploratory unit agreement reporting.
- If there had been multiple wells in the exploratory unit agreement, you would submit a modify or replace report to remove the prior reporting from the exploratory unit agreement.
- Once the well is moved from the exploratory unit agreement, submit original reports for the PA retroactive to the well completion date.



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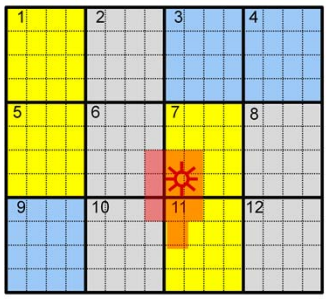
Scenario 1b - Reporting on an approved Participating Area

Key Points –Paying well determination – Initial PA approved.

ONRR-2014 – Update Royalty Reports as follows:

- Submit adjusting entries backing out the lease basis reporting using Adjustment Reason Code (ARC) 35 retroactive to the PA effective date.
- Submit royalty adjustments rebooking the royalties in accordance with the PA allocation schedule (Exhibit B) retroactive to the PA effective date using ARC 35. Include both the applicable lease numbers and the PA agreement number on your report.
- Both adjusting entries backing out lease basis reporting and new PA royalty reporting should be on the same report.
- Net adjustments are not allowed.



Scenario 2

Reporting on Wells Producing Prior to Exploratory Unit Approval

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Scenario 2 Reporting on Wells Producing Prior to Exploratory Unit Approval

Question:

What if there are producing wells prior to the approval of an Exploratory Unit?

Answer:

Pre-existing wells normally remain lease basis. It is rare that a pre-existing well would ever become a PA well. If it did, the effective date of the PA would need to be considered and the well would be reported as lease basis until the PA effective date. (Again there are exceptions to the rule.)

Scenario 2 Reporting on Wells Producing Prior to Exploratory Unit Approval

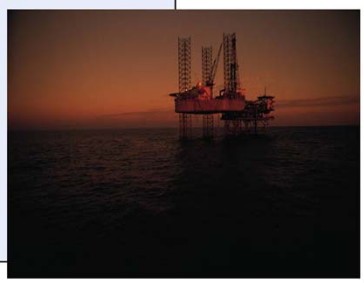
Key Points – Pre-existing Wells

OGOR –

- Continue to report as lease basis unless the well becomes part of a PA.
- If the well becomes part of a PA, adjust OGORs as outlined in Scenario 7 retroactive to effective date of PA.

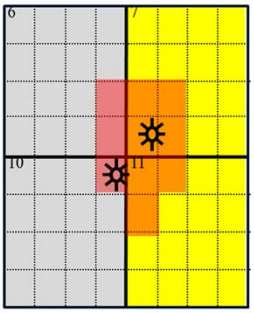
ONRR-2014 –

- Continue to report as lease basis unless the well becomes part of a PA.
- If the well becomes part of a PA, adjust the ONRR-2014s as outlined in Scenario 7 retroactive to the effective date of the PA.



Scenario 3

Reporting on additional wells drilled into the same formation of an approved PA



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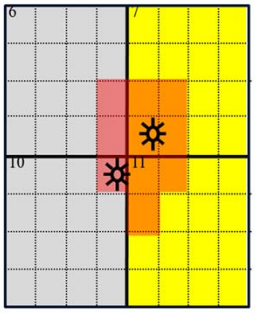
Scenario 3 -- Reporting on additional wells drilled into the same formation of an approved PA



Question:
Once a PA is established, what if additional wells are drilled into the same formation within the PA boundaries?

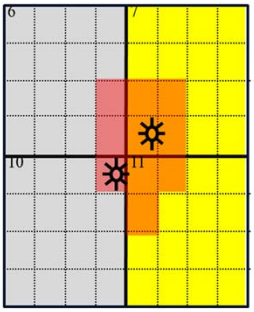
Answer:
Wells drilled within the PA boundaries and in the same formation after the initial PA is approved are considered PA wells regardless of paying well status. Production should be combined with other PA production and allocated to each PA tract.

Scenario 3 -- Reporting on additional wells drilled into the same formation of an approved PA

Reporting on the ONRR-2014 - Multiple wells in PA

Reporting for Big Oil Company

	Tract 7	Tract 11
Line Number	1	2
API Well Number		
ONRR Lease Number	0300987890	0300656550
ONRR Agreement Number	NM 321234A	NM 321234A
Product Code	04	04
Sales Type code	ARMS	ARMS
Sales MO/YR	042010	042010
Transaction Code	01	01
Adjustment Reason Code		
Sales Volume	5600.00	2100.00
Gas MMBtu	5908.00	2215.50
Sales Value	14770.00	5538.75
Royalty Value Prior to Allowances	1846.25	692.34
Transportation Allow. Deduction		
Processing Allowance Deduction		
Royalty Value Less Allowances	1846.25	692.34
Payment Method Code	3	3



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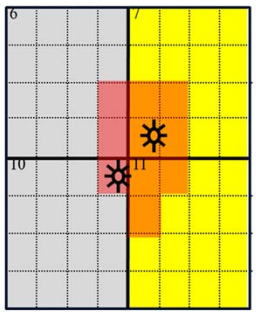
Scenario 3 -- Reporting on additional wells drilled into the same formation of an approved PA

Reporting on the ONRR-2014 - Multiple wells in PA

Reporting for Derrick Inc.

	Tract 11
Line Number	1
API Well Number	
ONRR Lease Number	0300656550
ONRR Agreement Number	NM 321234A
Product Code	04
Sales Type code	ARMS
Sales MO/YR	042010
Transaction Code	01
Adjustment Reason Code	
Sales Volume	2100.00
Gas MMBtu	2215.50
Sales Value	5538.75
Royalty Value Prior to Allowances	692.34
Transportation Allow. Deduction	
Processing Allowance Deduction	
Royalty Value Less Allowances	692.34
Payment Method Code	3



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Scenario 3 -- Reporting on additional wells drilled into the same formation of an approved PA

Key Points

Subsequent wells drilled in the same formation and within the PA boundaries are automatically PA wells.

OGOR –

- Report all wells in PA on OGOR at the PA level.

ONRR-2014 –

- Report all production from the PA according to the PA allocation schedule.

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Overlapping Agreements

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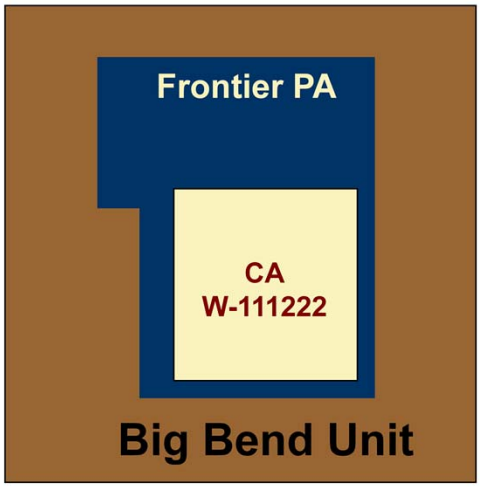
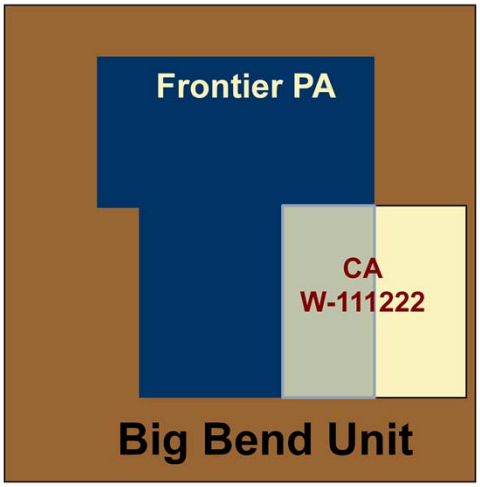
Total Overlap



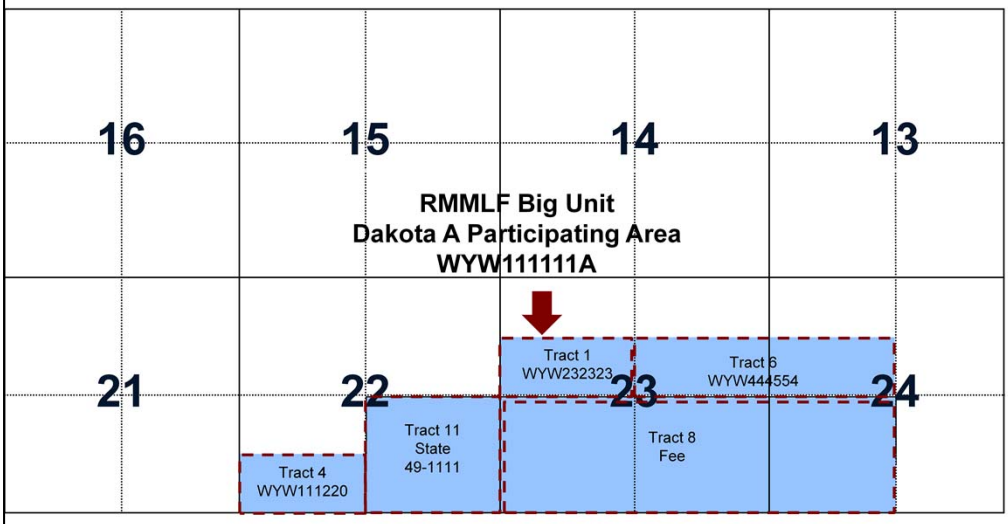
- CA is entirely within the PA and
- The CA and PA are in the same formation
- All CA lands are committed to the PA
- OGOR – CA is silent and all reporting is done on PA
- ONRR-2014 – CA is silent and all reporting is done on PA

Partial Overlap



- CA is partially within the PA and
- The PA and CA are in the same formation
- OGOR – All PA production is reported on the PA and all CA production is reported on the CA.
- ONRR-2014 – CA production allocated to the overlapped portion of the CA is allocated to the PA in accordance with the PA allocation schedule.

RMMLF Big Unit, Initial Dakota A Participating Area



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RMMLF Big Unit, Initial Dakota A Participating Area

Exhibit 'B'
RMMLF Big Unit, Initial Dakota A Participating Area

Tract Number	Lease Number or Type of Land	Legal Description	Participating Acreage	Percent of Participation	Working Interest Owners	
1	WYW232323	T23N, R46W Sec23, S1/2NW1/4	80	8.3334%	Big Oil Company Red Rig Company	75.0000% 25.0000%
6	WYW444554	T23N, R46W Sec 23, S1/2NE, Sec 24, S1/2NW1/4	160	16.6667%	Big Oil Company	100.0000%
8	Fee	T23N, R46W Sec 23, S1/2, Sec 24, SW1/4	480	50.0000%	Lotta Oil Company	100.0000%
11	State 49-1111	T23N, R46W Sec 22, SE1/4	160	16.6667%	Rodeo Company Derrick Inc.	50.0000% 50.0000%
4	WYW111220	T23N, R46W Sec 22, S1/2SW1/4	80	8.3334%	Derrick Inc.	100.0000%

Summary

Federal	320.00	33.3334%
Fee/State	640.00	66.6667%
	960.00	100.0000%

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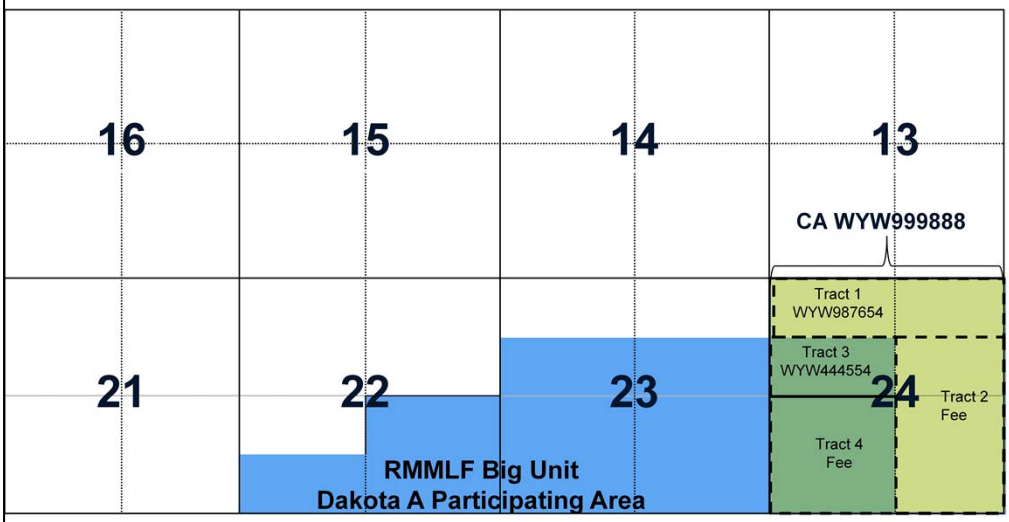
CA Partially Overlapped by PA



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Communitization Agreement WYW999888

Exhibit 'B'
CA WYW999888

Tract Number	Lease Number or Type of Land	Legal Description	Participating Acreage	Percent of Participation	Working Interest Owners	
1	Federal WYW987654	T23N, R46W Sec24, N1/2N1/2	160	25.00000%	Big Oil Company Red Rig Company	50.0000% 50.0000%
2	Fee	T23N, R46W Sec 24, SE1/4, Sec 24, S1/2NE1/4	240	37.50000%	Big Oil Company	100.0000%
3	Federal WYW111111A	T23N, R46W Sec 24, S1/2NW1/4	80	12.50000%	Big Oil Company	100.0000%
11	Fee WYW111111A	T23N, R46W	160	25.00000%	Lotta Oil	100.0000%

Summary

Federal	240.00	37.5000%
Fee/State	400.00	62.5000%
	640.00	100.0000%

NOTE: 37.5%, Tracts 3 and 11, of the CA is within the RMMLF Big Unit, Dakota A PA, WYW111111A

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How to Report Royalties on Production from the Overlapped CA

Reporting Royalties on Production from CA W-999888 5000 bbls produced and sold from CA wells in April 2012					
	Tract #	Property	Allocation	Allocated volume	
CA	1	WYW987654	0.250000	1250.00	Report with CA #
	2	Fee	0.375000	1875.00	
	3	**Federal - OVLP**	**0.125000**	**625.00**	**Total overlapped portion = 37.5% = 1875bbls - Report on PA**
	11	**Fee - OVLP**	**0.250000**	**1250.00**	
PA	1	WYW232323	0.083334	156.25	Report with PA #
	6	WYW444554	0.166667	312.50	Report with PA #
	8	Fee	0.500000	937.50	
	11	State	0.166667	312.50	
	4	WYW111220	0.083334	156.25	Report with PA #

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How to Report Royalties on Production from the Overlapped CA

5 LINE NUMBER	6 RESERVED FOR PREPARER'S USE / 8 API WELL NUMBER	7 ONRR LEASE NUMBER / 9 ONRR AGREEMENT NUMBER	10 PRODUCT CODE	11 SALES TYPE CODE	12 SALES MO/YR (MM/CCYY)	13 TRANSACTION CODE	14 ADJUSTMENT REASON CODE	15 SALES VOLUME (Mcf/bbl/gal/long ton) / 19 ROYALTY VALUE PRIOR TO ALLOWANCES $
1		049 987654 0 W 999888	01	ARMS	042012	01		1250 00
2		049 232323 0 W 111111 A	01	ARMS	042012	01		156 25
3		049 444554 0 W 111111 A	01	ARMS	042012	01		312 50
		049 111220 0 W 111111 A	01	ARMS	042012	01		156 25

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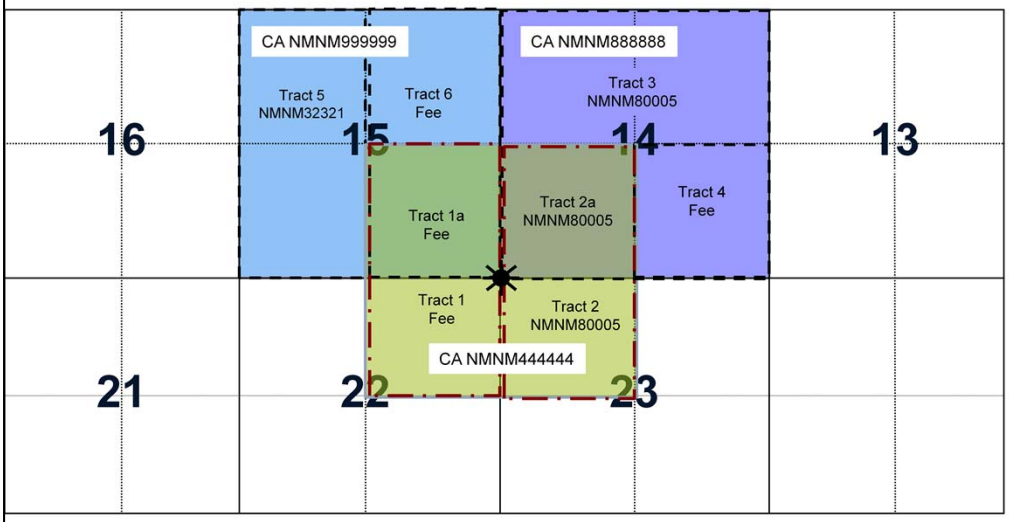
Multiple CA Overlaps



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Reporting Royalties on Production from a CA overlapped by multiple CAs

Reporting Royalties on Production from CA NMNM-444444 10,000 bbls produced and sold from CA wells in June 2012					
	Tract #	Property	Allocation	Allocated volume	
CA NMNM444444	1	Fee	0.250000	2500.00	
	2	NMNM80005	0.250000	2500.00	Report on this CA
	1a	Overlapped	0.250000	2500.00	Report on CA NMNM999999
	2a	Overlapped	0.250000	2500.00	Report on CA NMNM888888
CA NMNM999999	5	NMNM32321	0.500000	1250.00	Report on this CA
	6	Fee	0.500000	1250.00	
CA NMNM888888	3	NMNM80005	0.750000	1875.00	Report on this CA
	4	Fee	0.250000	625.00	

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Reporting Royalties on Production from a CA overlapped by multiple CAs

5 LINE NUMBER	6 RESERVED FOR PREPARER'S USE / 8 API WELL NUMBER	7 ONRR LEASE NUMBER / 9 ONRR AGREEMENT NUMBER	10 PRODUCT CODE	11 SALES TYPE CODE	12 SALES MO/YR (MM/CCYY)	13 TRANSACTION CODE	14 ADJUSTMENT REASON CODE	15 SALES VOLUME (Mcf/bbl/gal/long ton) / 19 ROYALTY VALUE PRIOR TO ALLOWANCES $
1		029 080005 0 NM 444444	01	ARMS	062012	01		2500 00
2		029 032321 0 NM 999999	01	ARMS	062012	01		1250 00
3		029 080005 0 NM 888888	01	ARMS	062012	01		1875 00

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Formulas for Reporting on an Overlapped Agreement

Formula for reporting on tracts that are NOT overlapped:

Total Volume Sold	X	CA Tract %	X	Ownership %	=	Sales Volume

Formula for reporting on overlapped tracts:

Total Volume Sold	X	CA Tract %	X	Ownership %	X	PA Tract %	=	Sales Volume

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How do I identify overlapping agreements?

- ✓ Overlapped agreement (usually CA) exhibits
- ✓ BLM LR2000

Remember:

- ✓ Royalties are Reported on the lease
- ✓ Production is Reported on the Agreement

Questions????

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U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

EMARF = Access

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Questions?

2

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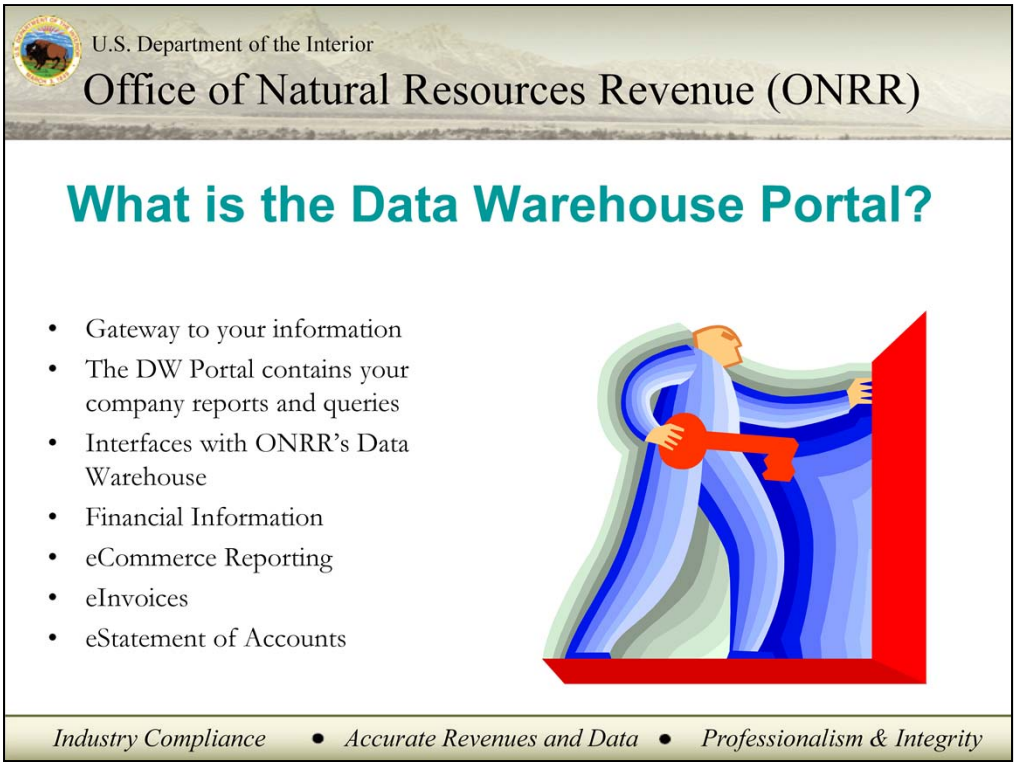

Hopefully this presentation will give you a better understanding of this new world we call “Data Warehouse”

Data Warehouse is your gateway to your data that has been reported on a 2014.

It allows you to query your data as well as view and print reports that have been run by ONRR’s contractor.

The Data Warehouse interfaces with your data that has been reported. Typically is should be in the Data Warehouse 24 hours after it has been received by ONRR.

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Office of Natural Resources Revenue (ONRR)

Accessing the DW Portal at ONRR.gov

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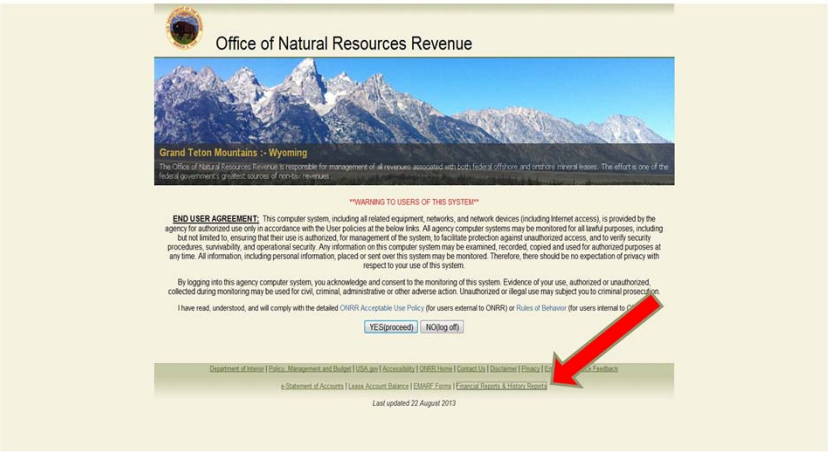
Accessing the DW Portal from the eCommerce Portal

- Log onto the Data Warehouse at https://dwportal.onrr.gov or access from the ONRR eCommerce webpage



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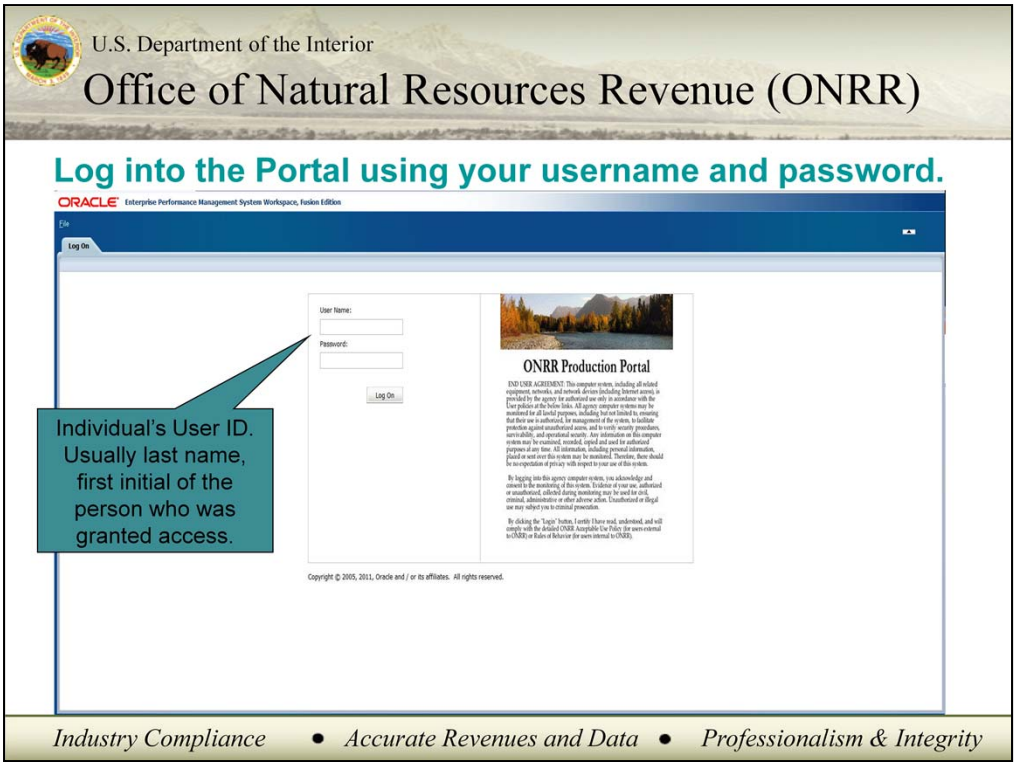
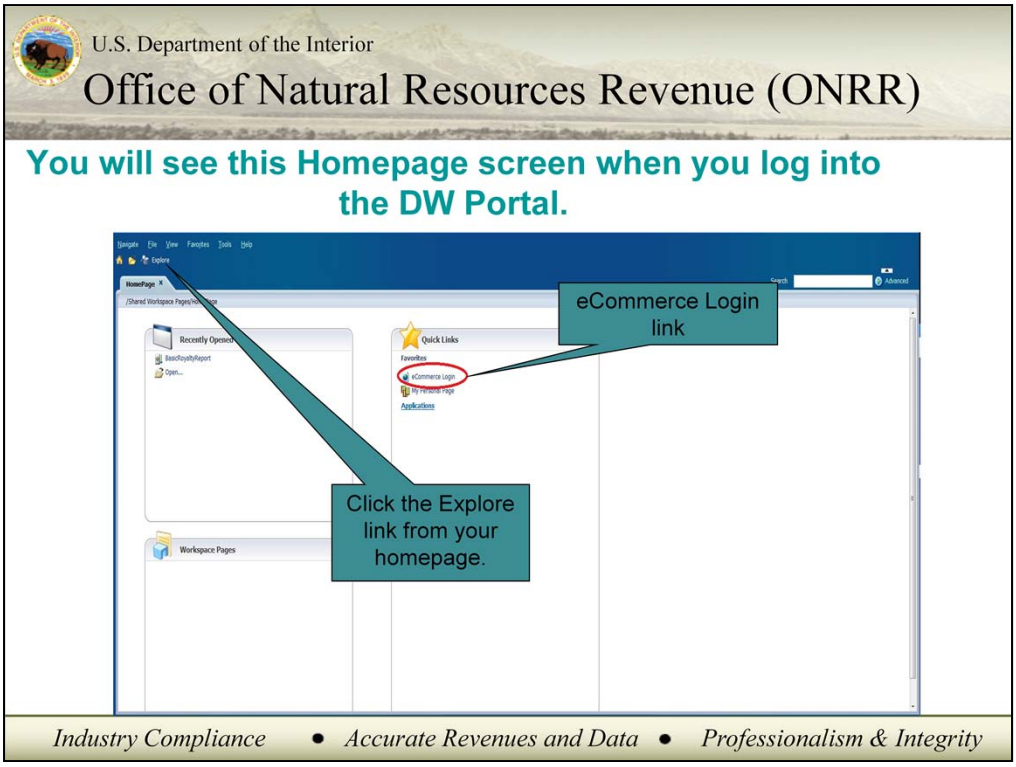
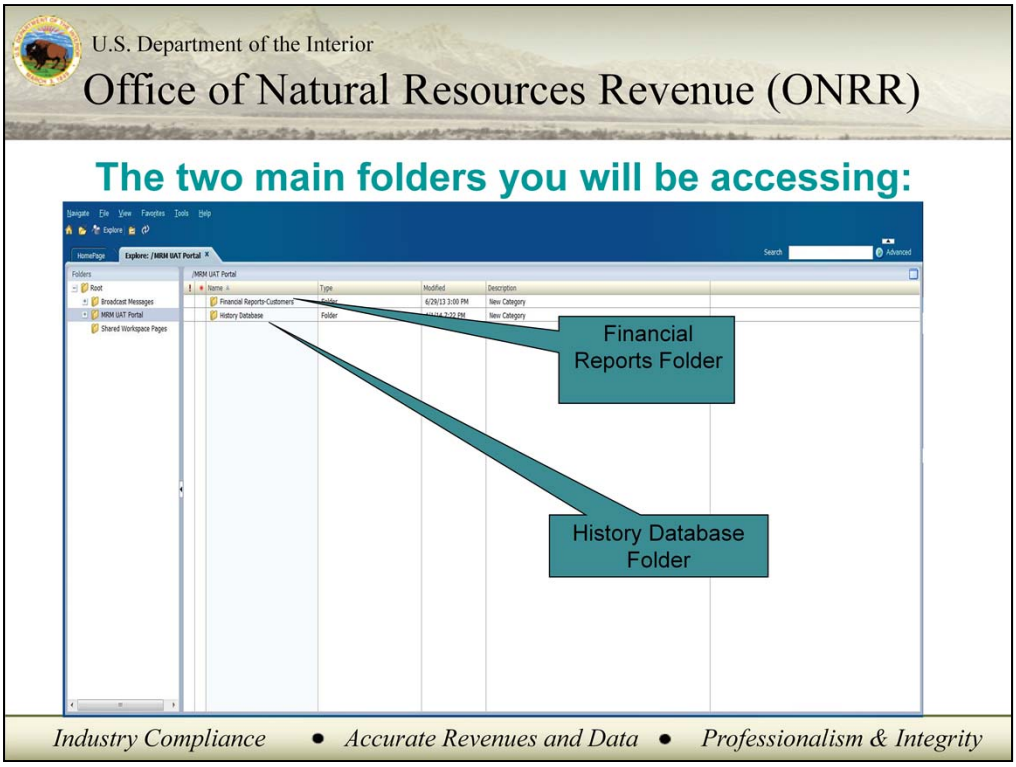


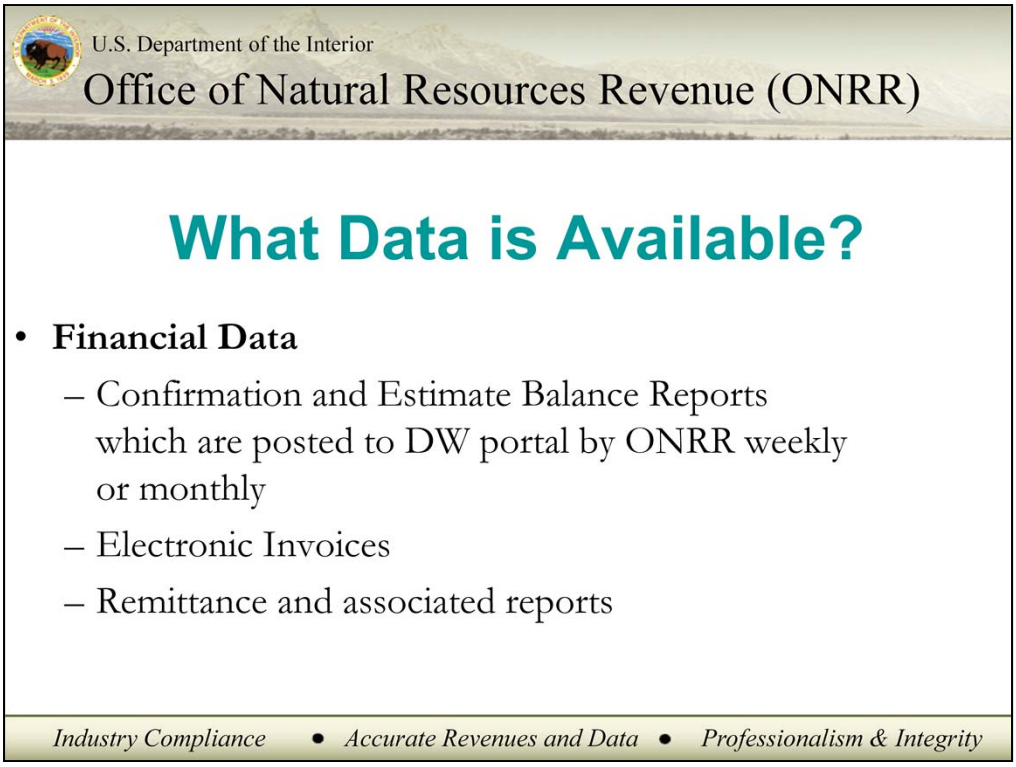
This is your login screen. This is where you put your "Username" and "Password" that was mailed to you from ONRR. If you have problems, remember that it is case sensitive.



This is the screen you will see when you first log in. Please click the explore button to view available folders.



Both of these folders are located within the MRM Portal.



Next question: What data is available?

There are 2 types of data that you have access to.

First Financial Reports. Currently there are 3 financial reports. The Confirmation Report that used to be sent to you via the mail and 2 estimate balance reports, one with your current balances by leases and second an estimate activity report, showing your balances at the time of transactions.

These reports are run by our contractor monthly for the estimate reports and weekly, once a document has been 100 percent accepted. The reports are then posted to what we call your payor folder. You will see an example of this later in the presentation.

Secondly you have available what is called History Database reports. This has a report name “Basic Royalty Report”. It allows you to actually query on specific parameters. The output will show you both accepted and suspended (rejected) royalty detail lines that have been submitted on a 2014.

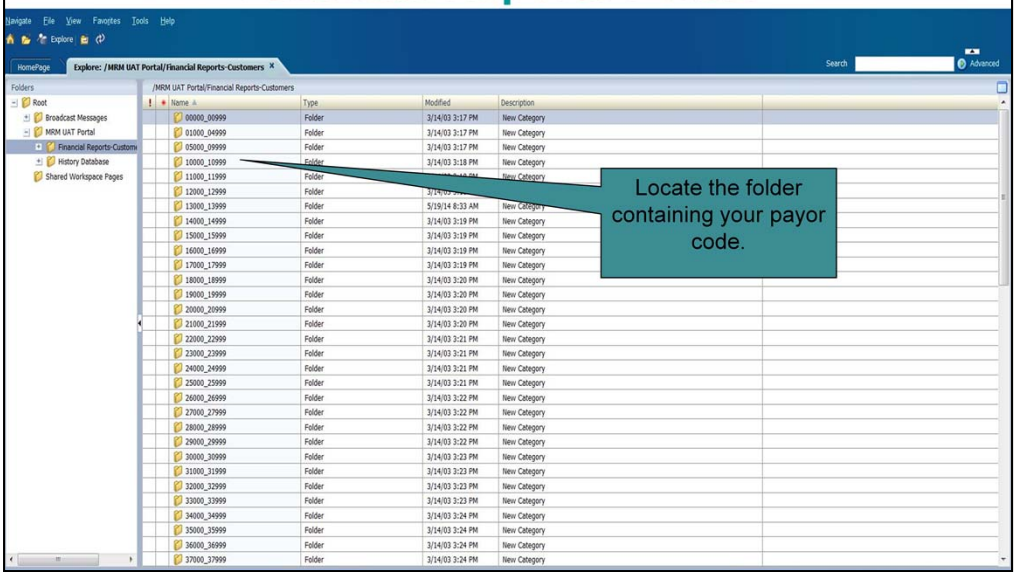
What Data is Available?

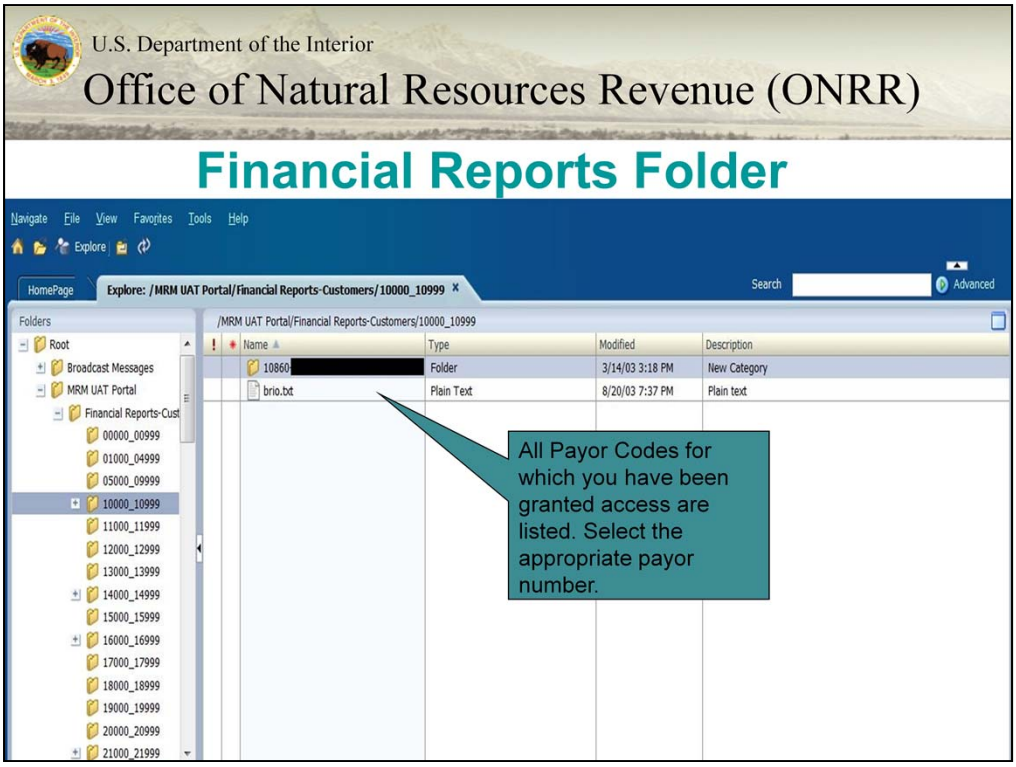
- **History Database Reports**
  - On Demand Reports
  - Basic Royalty Reports
  - Most up to date company royalty history
  - Query and extract data
- **Minimum Royalty and Rental Information (LAB Link)**
  - Federal Leases
  - Minimum Royalty Amounts – No Detail
- **Electronic Statement of Accounts (eSOA Link)**

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Financial Reports Folder

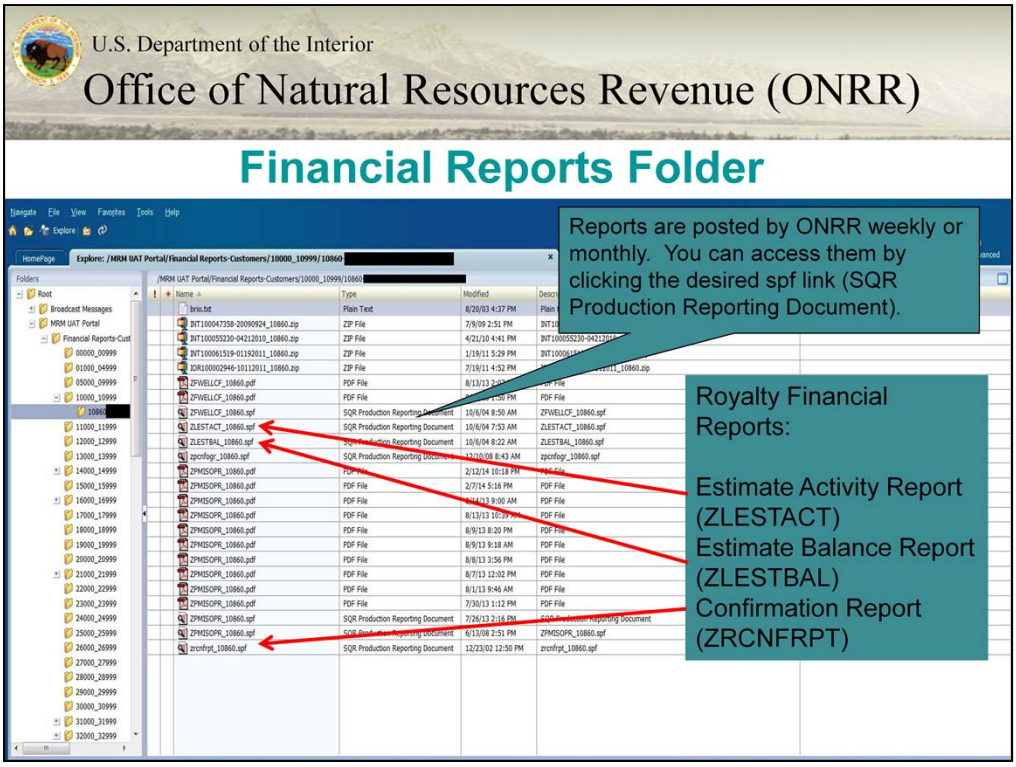




Next you will see your payor code number and name. You will then select the folder.

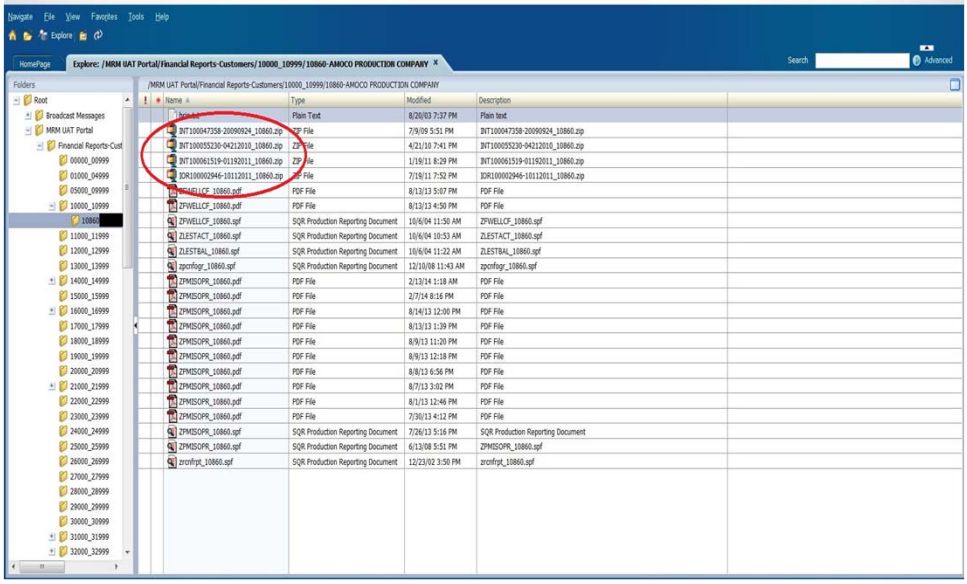
If you have more than one payor code, select the appropriate folder.

Note: You can request access to all your payor codes under one username and password. Be sure to indicate all your payor codes on your System Access Form. You can request both your payor and operator (production data) under one username.



Once in the financial folder you will see your reports outputs. Just a reminder, the reports are either run weekly or monthly.

Finding eInvoice files

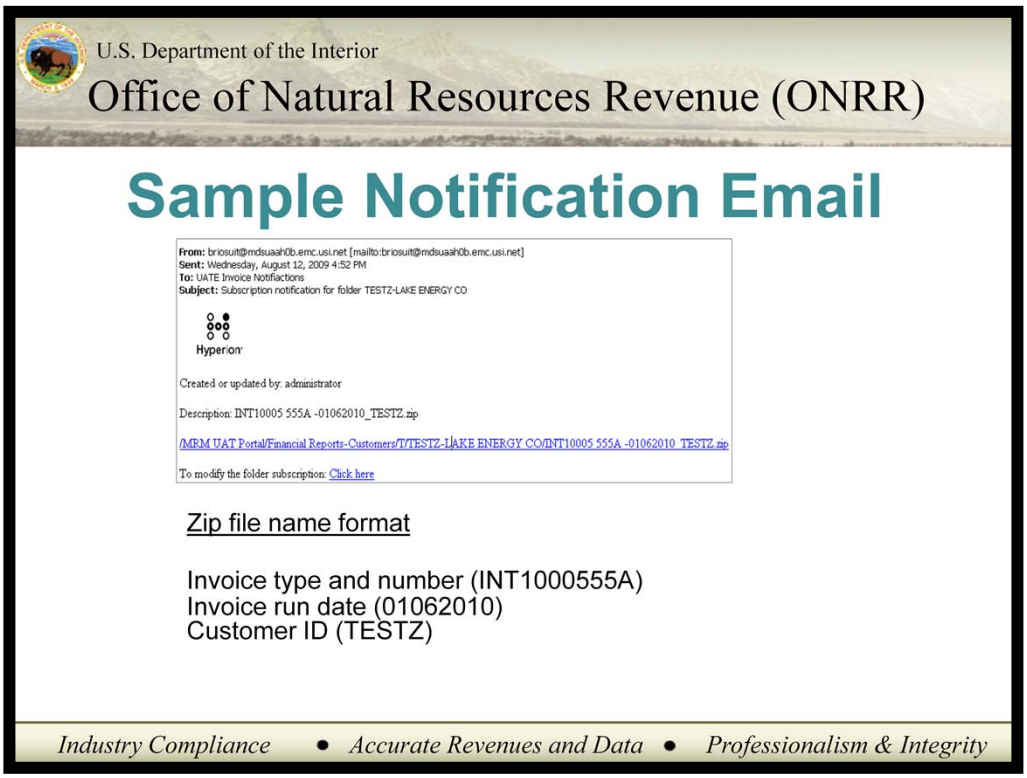


The eInvoices are found in the Financial Reports-Customer folder.

Click on the folder, then click on the range that encompasses the Customer ID, and then click on the individual customer ID.

All the documents will be in a zip file. Depending on the individual invoice situation, the reports may or may not be present. For example, for manual invoices there are no reports.

NOTE: All item and customer numbers are changed to protect production data. Screen prints were taken from a test environment and the colors may not mirror what you see in production.



Here is a sample Notification Email:

You can click on the link embedded in the email, and go straight to the data warehouse login. Once you've logged in, you will be taken to the zip file.

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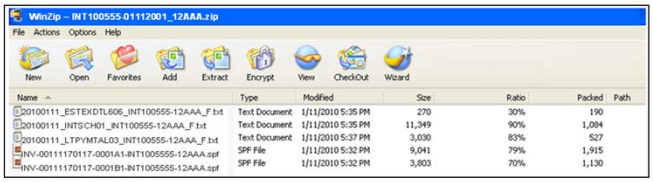
Office of Natural Resources Revenue (ONRR)

Invoice and Report Files

Expanded Zip file contains the month's files.



Report Formats and Abbreviations:

Print Format (spf)-Invoice and Remittance

Delimited Text File - ZEPRPT01- INTSCH01- Interest Schedule

Delimited Text File - ZEPRPT03- LTPYMTAL03-Late Payment Allocation

Delimited Text File - Estimate Exception Bill Details

Delimited Text File - ZEPIOR-IOR-Indian (For Information only- Possible backup report for future invoice)

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Zip files may contain

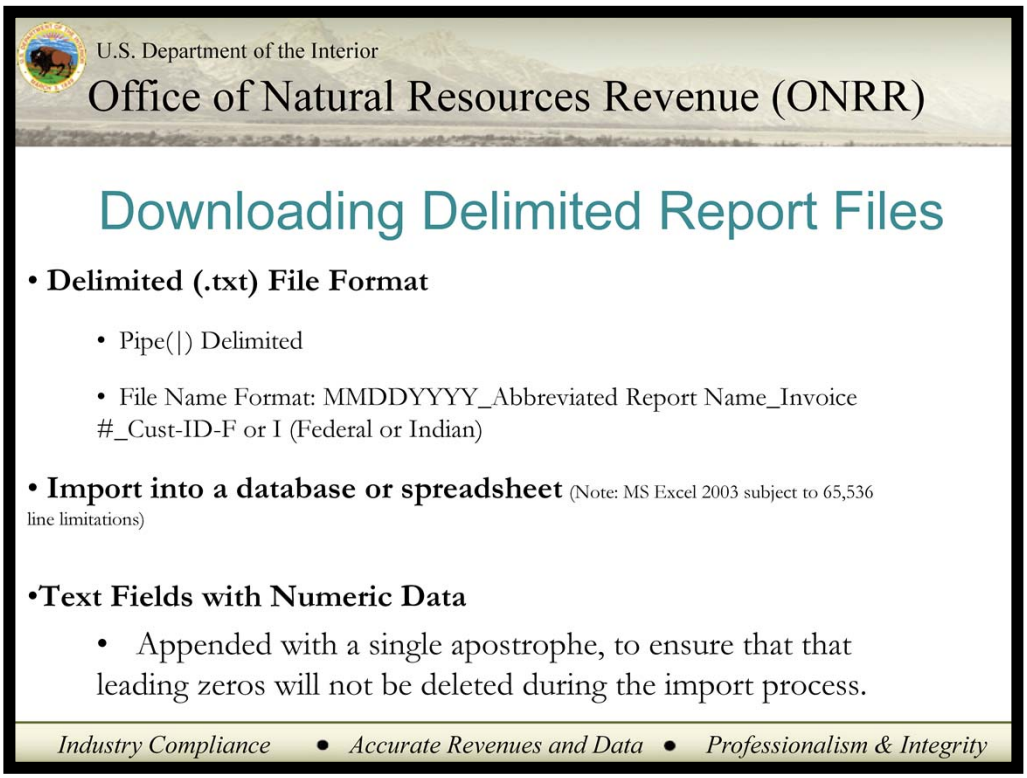
Invoice

Remittance

Backup reports

All, or none, or any combination of the documents may exist at any given month.

If you have Indian Leases, please pay particular attention to the IOR document. This document is not an invoice. It is for information only. Sometimes a corresponding invoice will be issued at a later date, sometimes there will be no corresponding invoice. This report shows exceptions to general processing, and further research is done on the exceptions. If the exceptions are all resolved, an invoice will not be issued. If an invoice is issued, it will happen at a later date. This is one of the documents that will be mailed in conjunction with all Indian Lease invoices, so at that point, you will also see a printed copy.

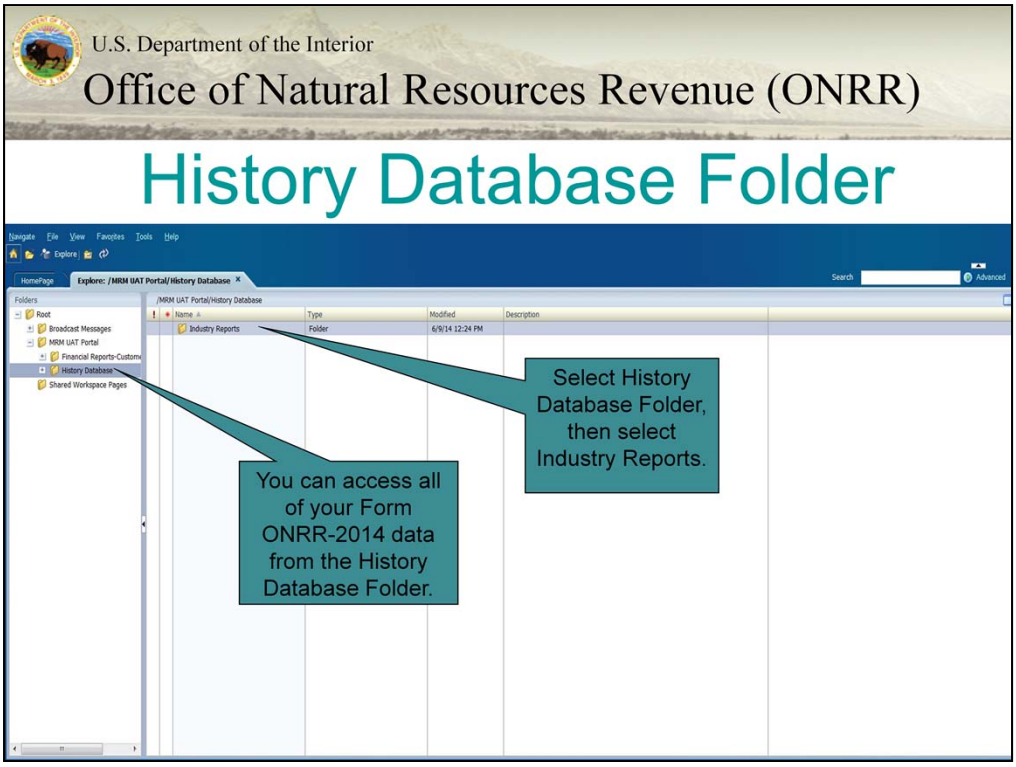


The Report files are in pipe delimited txt file formats.

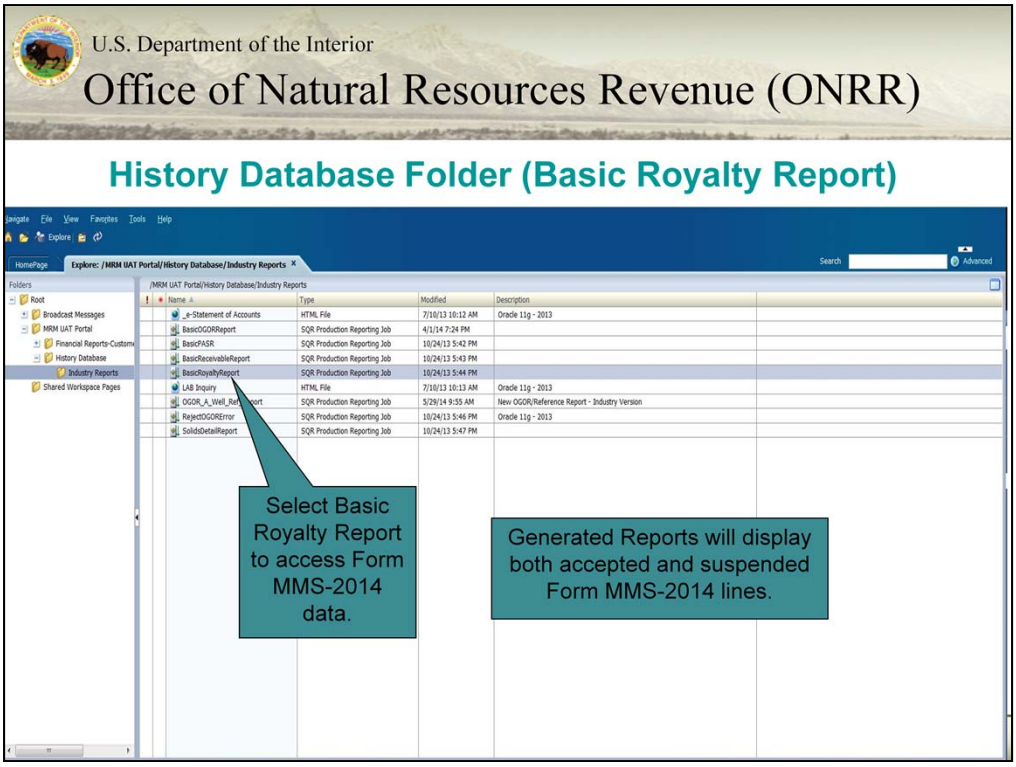
The names of the files were carefully chosen to give everyone as much information as possible.

We recommend importing the txt files into a spreadsheet such as MS Excel. (NOTE: If the data exceeds 65,536 lines, it will hit the Excel 2003 line limitation. If that happens, use Excel 2007.)

Text fields that could start with leading 0's will have a single apostrophe preceding the data. This ensures that the leading 0's will not be deleted during the import into a spreadsheet.



When you are wanting to see your 2014 history you will select the folder “History Database” on the left and then “Industry Reports.”



For today's purposes, the one you are most interested in is the "Basic Royalty Report"

This report will give you your 2014 data that has been processed by ONRR.

Note: If you report production data under the same payor code, you can also run the Basic OGOR Report. As well there is a Basic Receivable Report that shows the status of your reports being applied to payments.

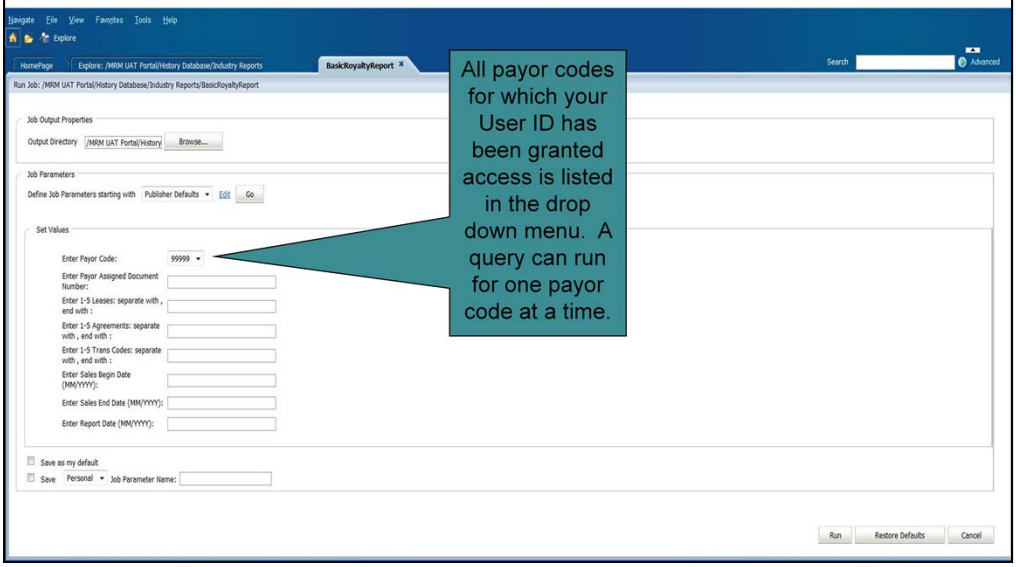
The production demonstration tomorrow will go over the Basic OGOR report, and there are some fine tuning issues that need to be addressed about the Basic Receivable Report.

History reports will be available for 7 days only. If you run numerous reports in a day, you will want to change your versions available to see more outputs.

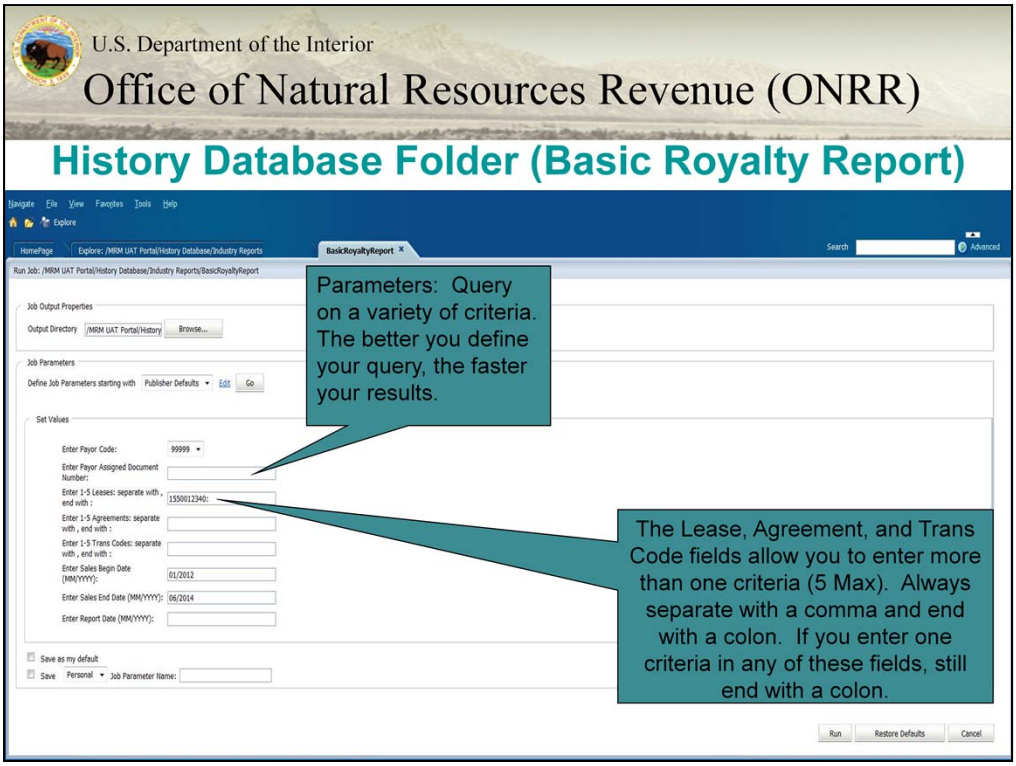
U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

History Database Folder (Basic Royalty Report)



All payor codes for which your User ID has been granted access is listed in the drop down menu. A query can run for one payor code at a time.



Once you have selected “Basic Royalty Report” the parameter screen will display. You have a number of parameters to select from. You can run your request by Payor Assigned Number (specific to report), by lease, by agreement, trans code, begin and ending sales date and/or report date.

The lease, agreement, and trans code field, you can enter more than one criteria. Be sure to separate each criteria with a comma and always end with a colon regardless if you have more than one or just one criteria.

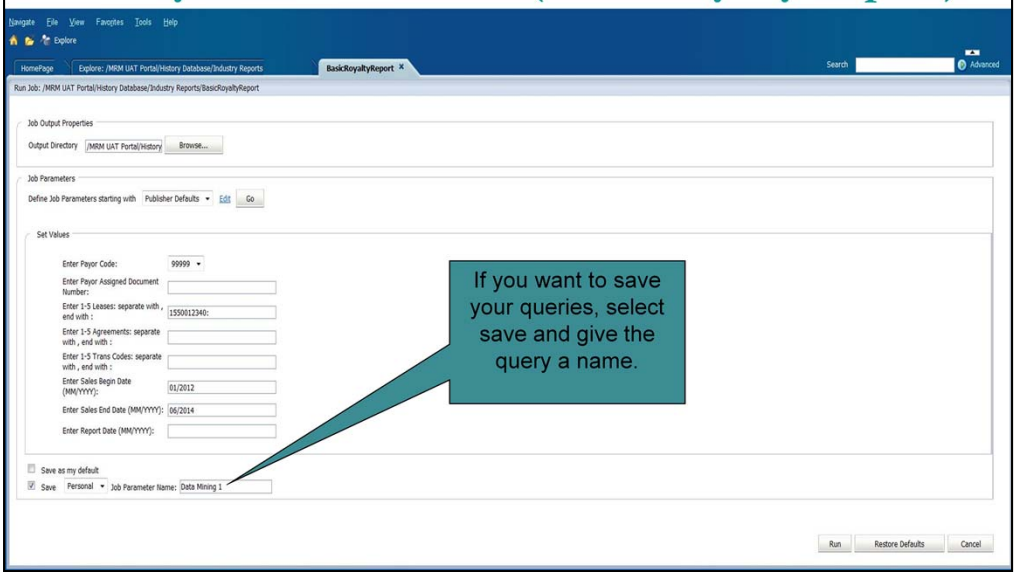
Example, if wanting to see all your trans code 50/51 transaction, you can put in a lease number and then enter in the trans code field 50,51:

You will want to narrow your query so that you will have the best output results. The less define the query the longer it will take for you to receive an output.

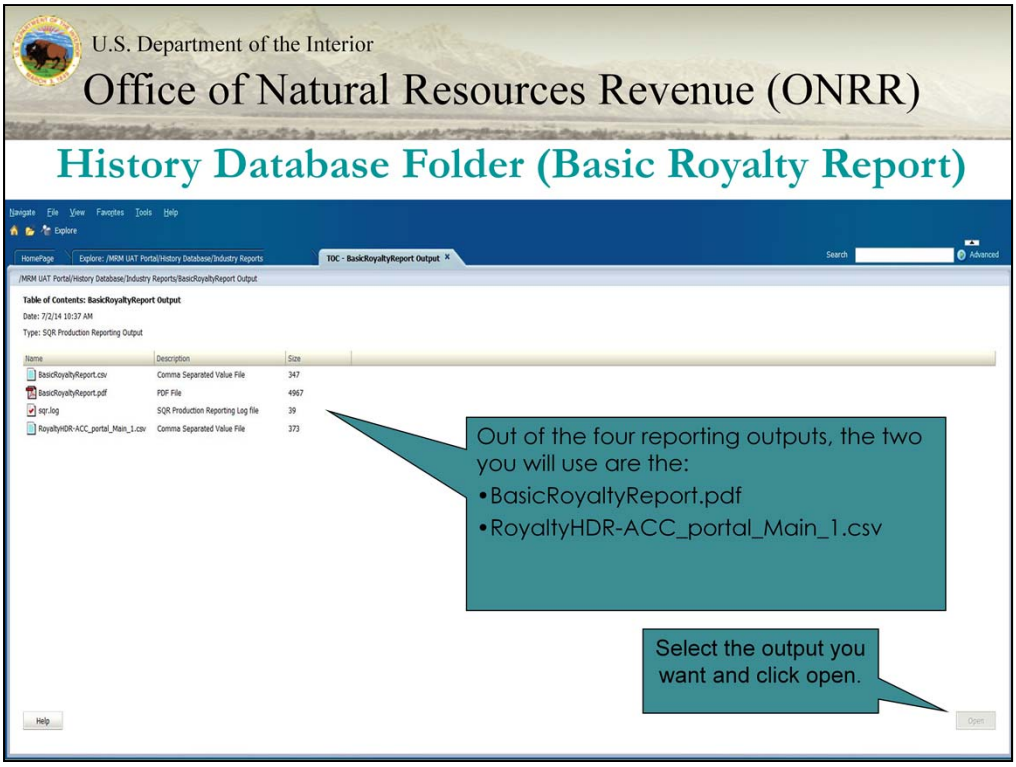
U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

History Database Folder (Basic Royalty Report)



If you want to save your queries, select save and give the query a name.



Out of the four reporting outputs, the two you will use are the BasicRoyaltyReport.pdf and the RoyaltyHDR-ACC_portal_Main_1.csv

The BasicRoyaltyReport.pdf will generate the queried royalty report as a PDF .

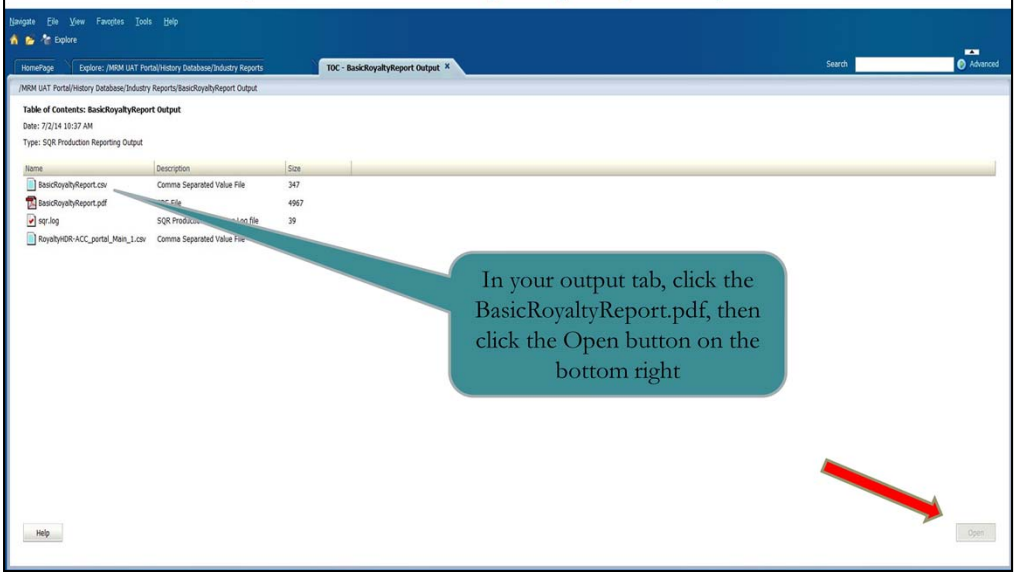
The RoyaltyHDR-ACC_portal_Main_1.csv will generate the queried royalty report in Excel format.

Do not use the BasicRoyaltyReport.csv or the Sqr.log outputs. Both of these outputs are either not user friendly or not usable.

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

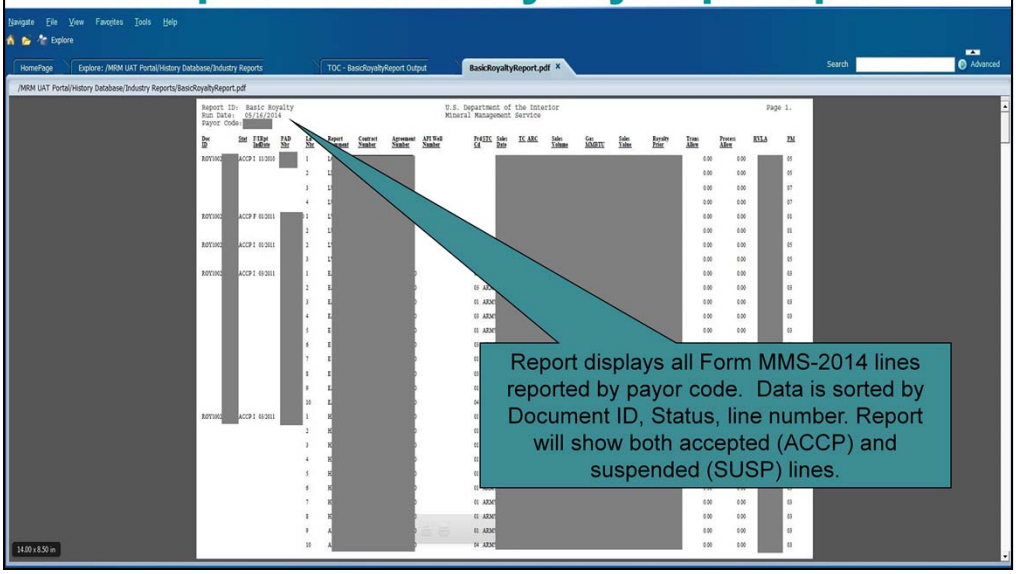
Output: BasicRoyaltyReport.pdf



U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Output: BasicRoyaltyReport.pdf



Benefits of saving to CSV (Comma Separated Value) instead of PDF format

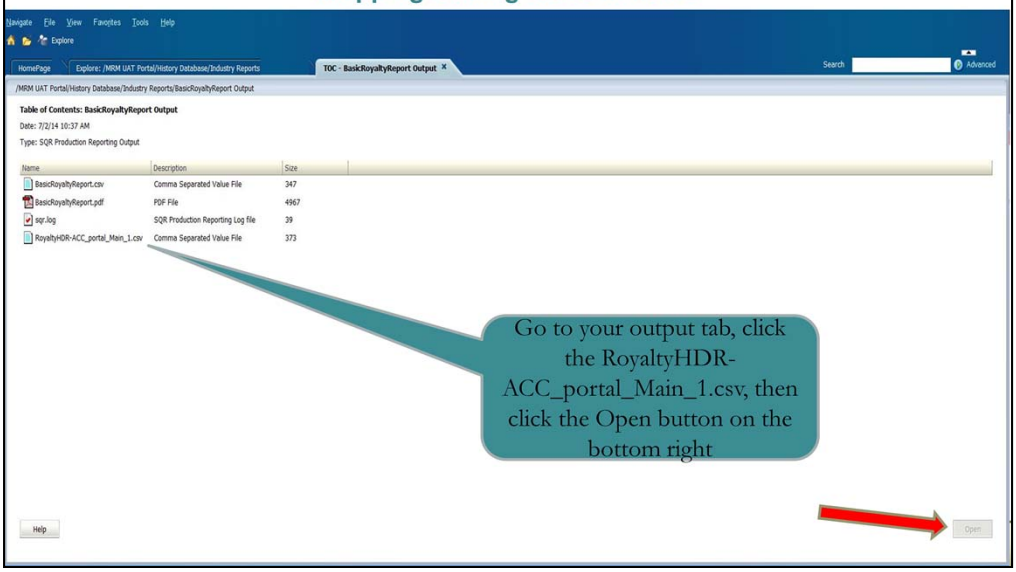
- Saving as a CSV gives you the capability of saving the data into Excel
- Excel will allow you to run macros, sort, compare
- Use Excel to place data into the format for an e-commerce 2014 upload as a CSV file

Note: Use Excel 2007 and greater versions to save extremely large amounts of data

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Output: How to open RoyaltyHDR-ACC_portal_Main_1.csv in Excel without dropping leading Zeros in fields

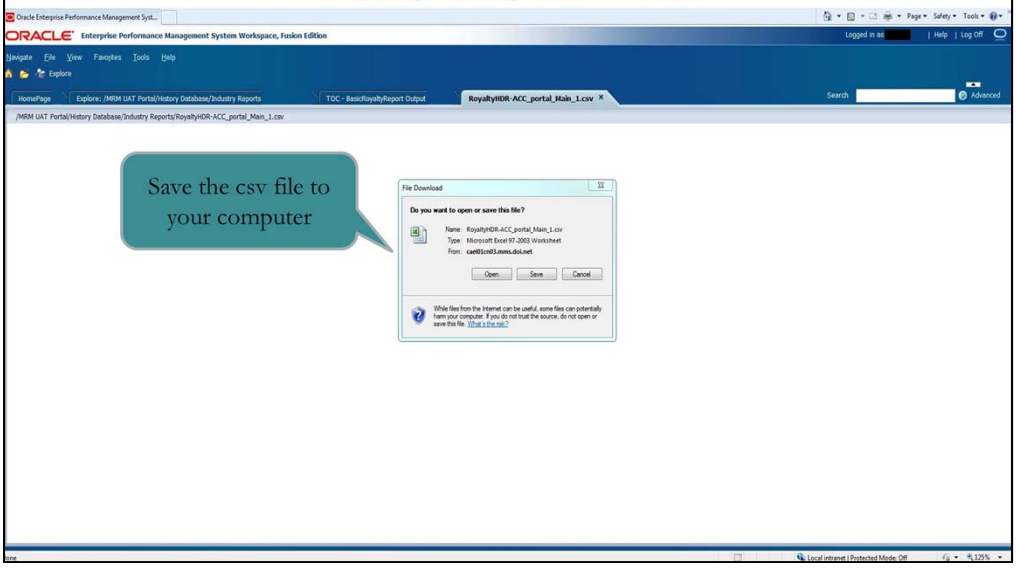


Go to your output tab, click the RoyaltyHDR-ACC_portal_Main_1.csv, then click the Open button on the bottom right

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

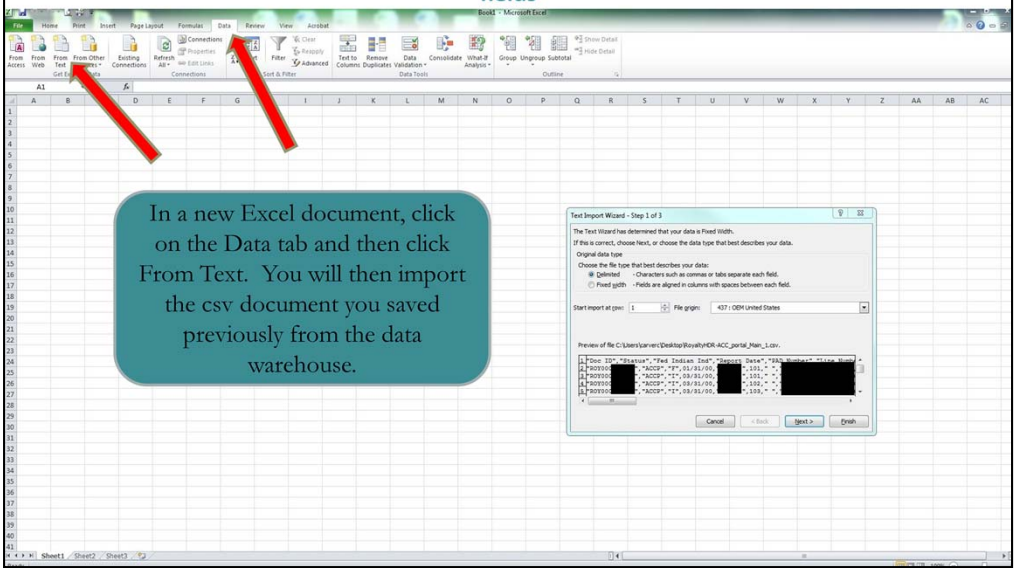
Output: How to open RoyaltyHDR-ACC_portal_Main_1.csv in Excel without dropping leading Zeros in fields



U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

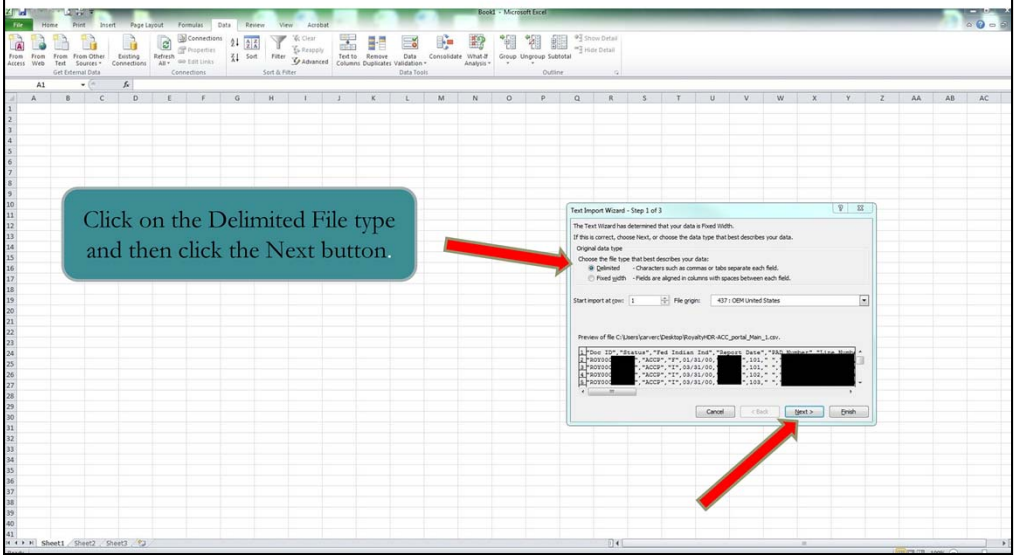
How to open RoyaltyHDR-ACC_portal_Main_1.csv in Excel without dropping leading Zeros in fields



U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

How to open RoyaltyHDR-ACC_portal_Main_1.csv in Excel without dropping leading Zeros in fields



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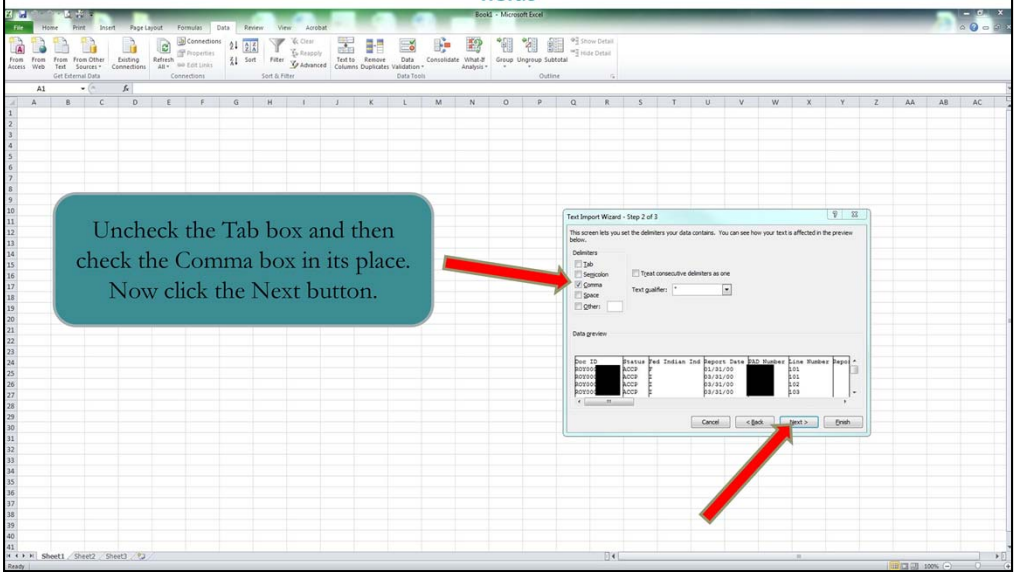
Office of Natural Resources Revenue (ONRR)

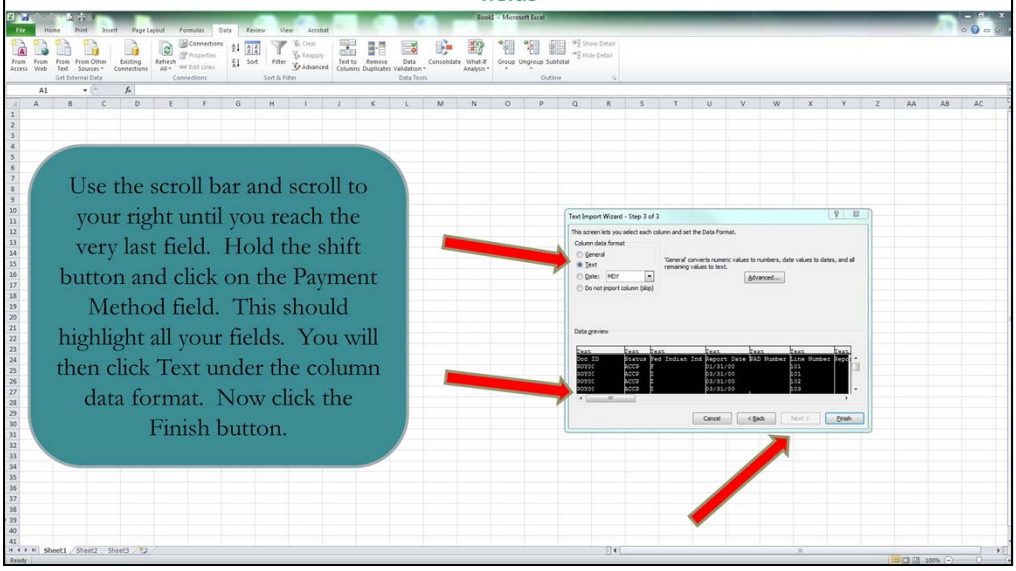
How to open RoyaltyHDR-ACC_portal_Main_1.csv in Excel without dropping leading Zeros in fields



U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

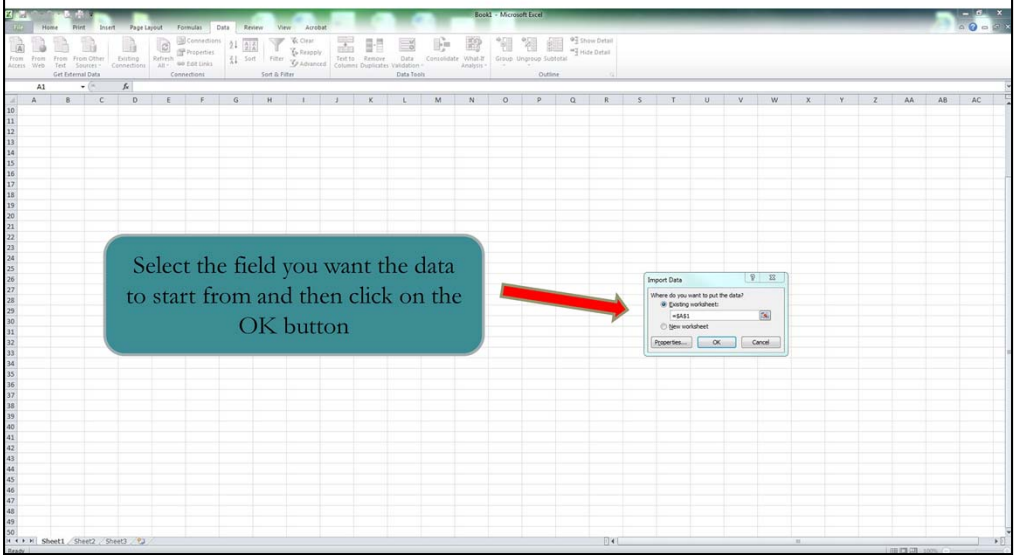
How to open RoyaltyHDR-ACC_portal_Main_1.csv in Excel without dropping leading Zeros in fields



U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

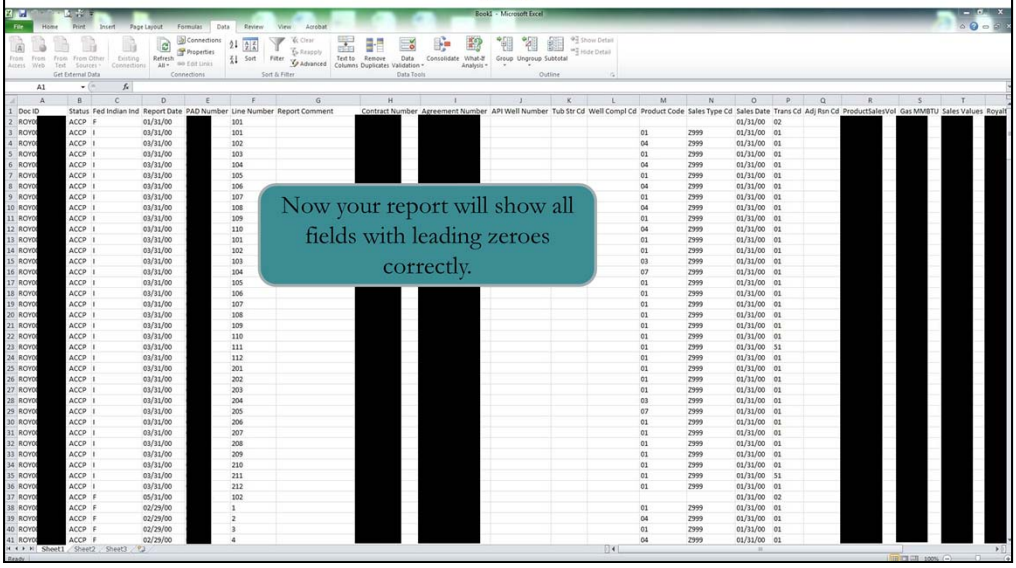
How to open RoyaltyHDR-ACC_portal_Main_1.csv in Excel without dropping leading Zeros in fields



U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

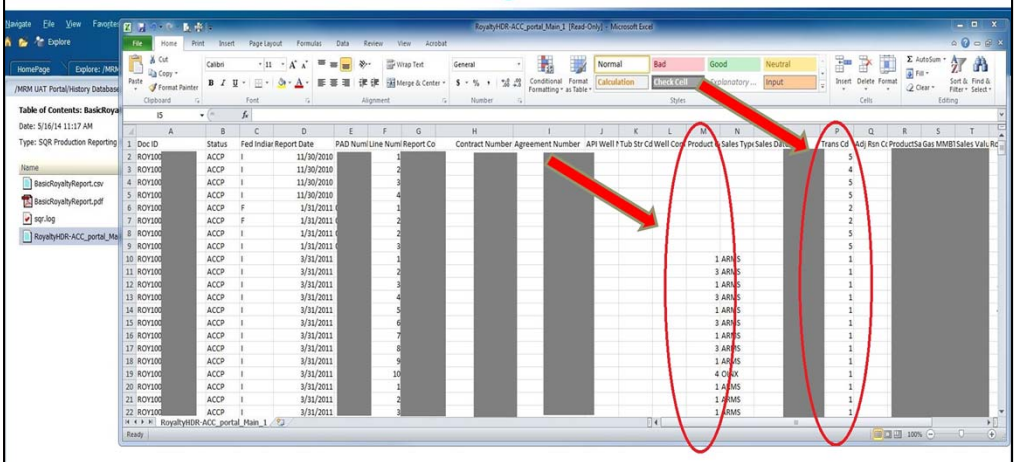
How to open RoyaltyHDR-ACC_portal_Main_1.csv in Excel without dropping leading Zeros in fields



U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Output: Example of RoyaltyHDR-ACC_portal_Main_1.csv without leading zeros



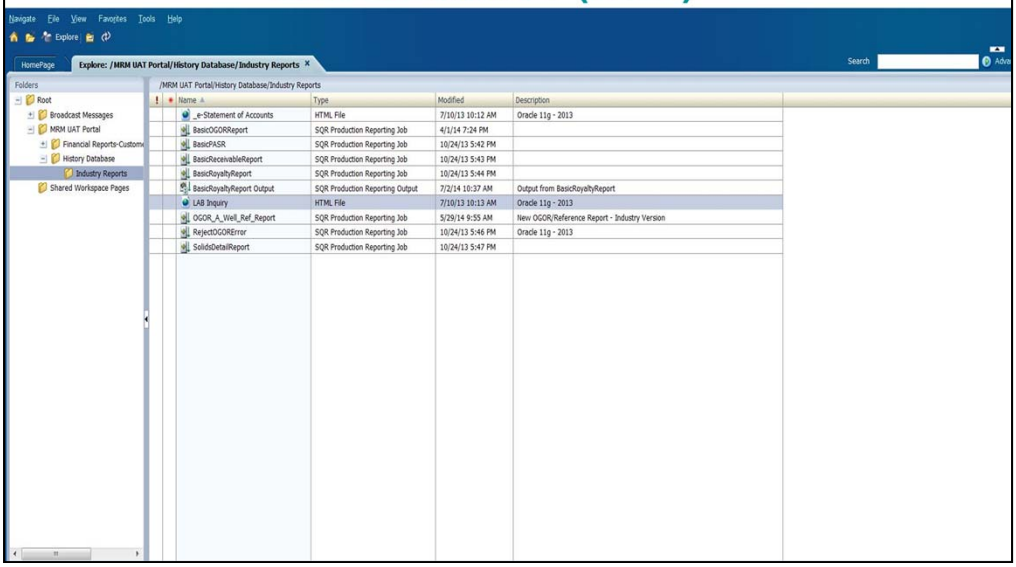
History Database Folder: Lease Account Balances Link (LAB)

- RENT
- MINIMUM ROYALTY (Federal Leases Only)

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

LAB INQUIRY (Link)



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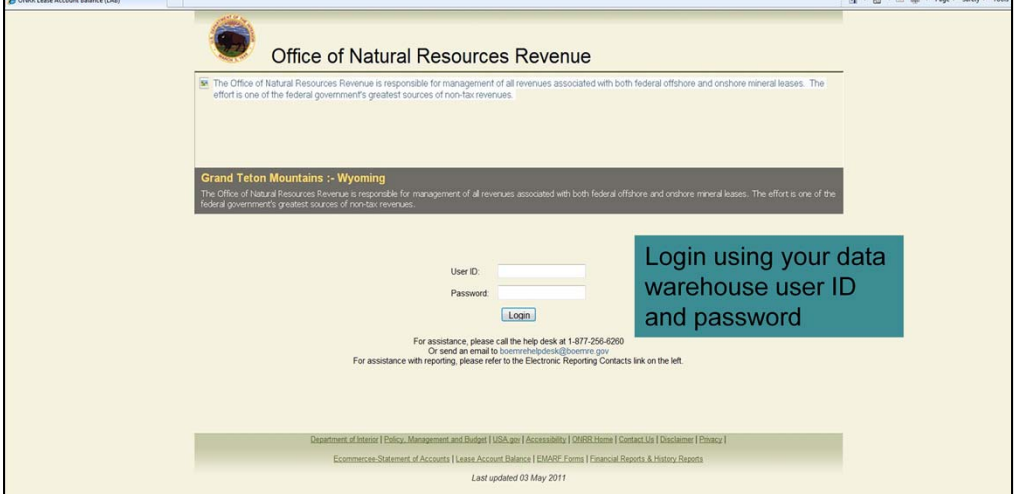
Office of Natural Resources Revenue (ONRR)

Lease Account Balance



Login using your data warehouse user ID and password

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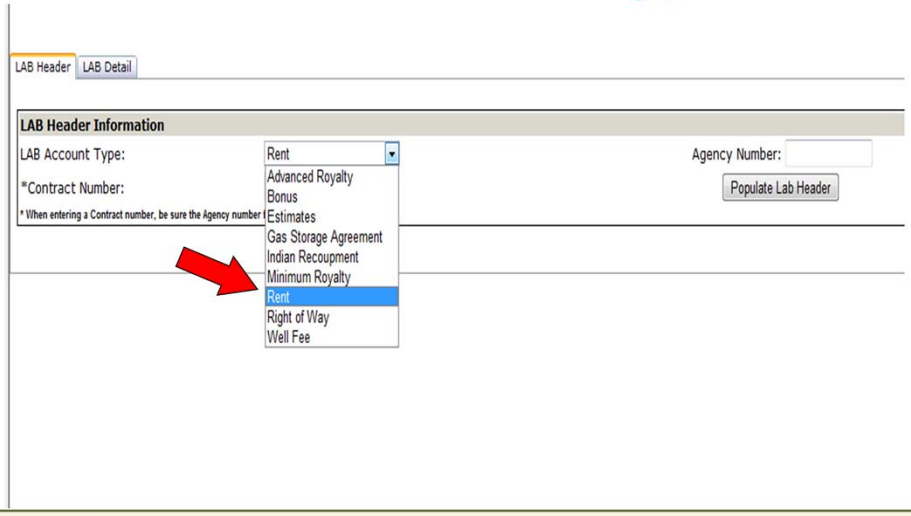
U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Select Account Type



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Enter Contract or Agency Number

LAB Header | LAB Detail

LAB Account Type	Contract Type	Land Class Code	Anniversary Date	Total Open Billed
MINR	LEAS	FED	04/01/1982	$0.00

LAB Header Information

LAB Account Type: Minimum Royalty

*Contract Number: 0540050670

Agency Number:

Populate Lab Header

* When entering a Contract number, be sure the Agency number field is empty.

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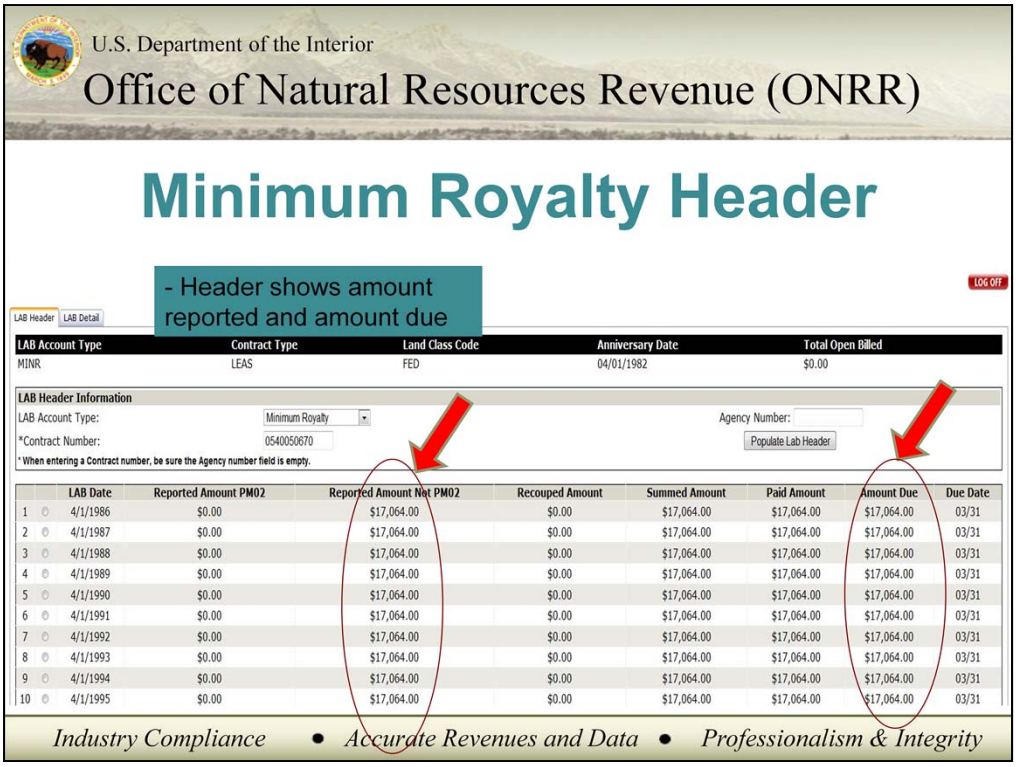
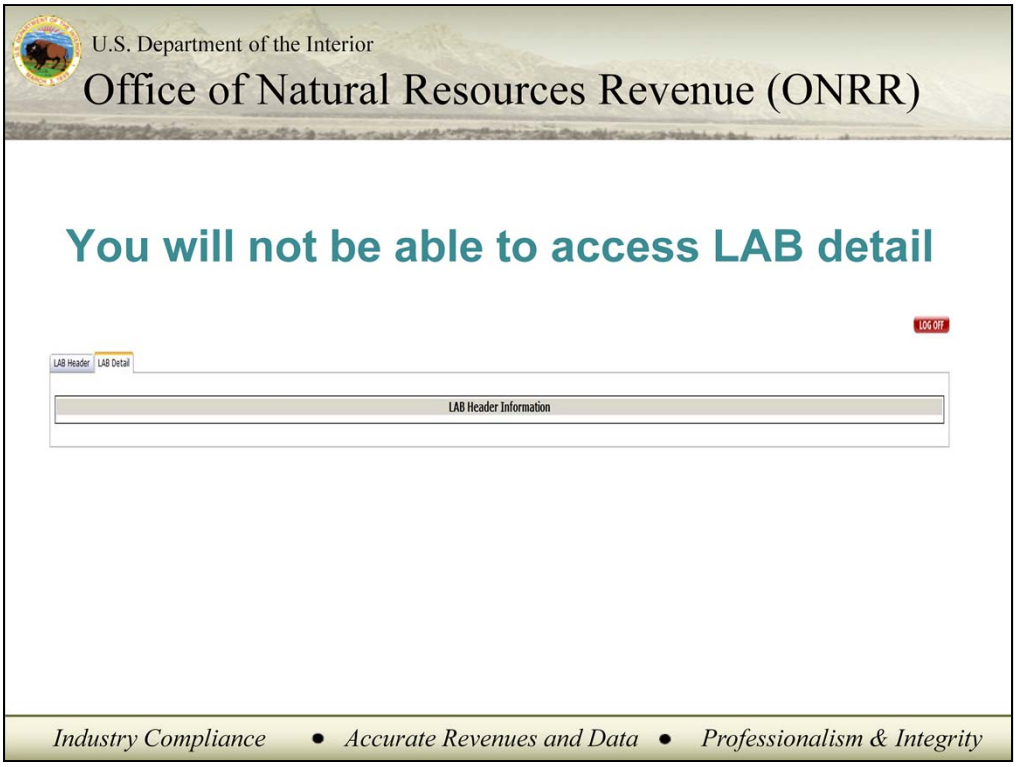
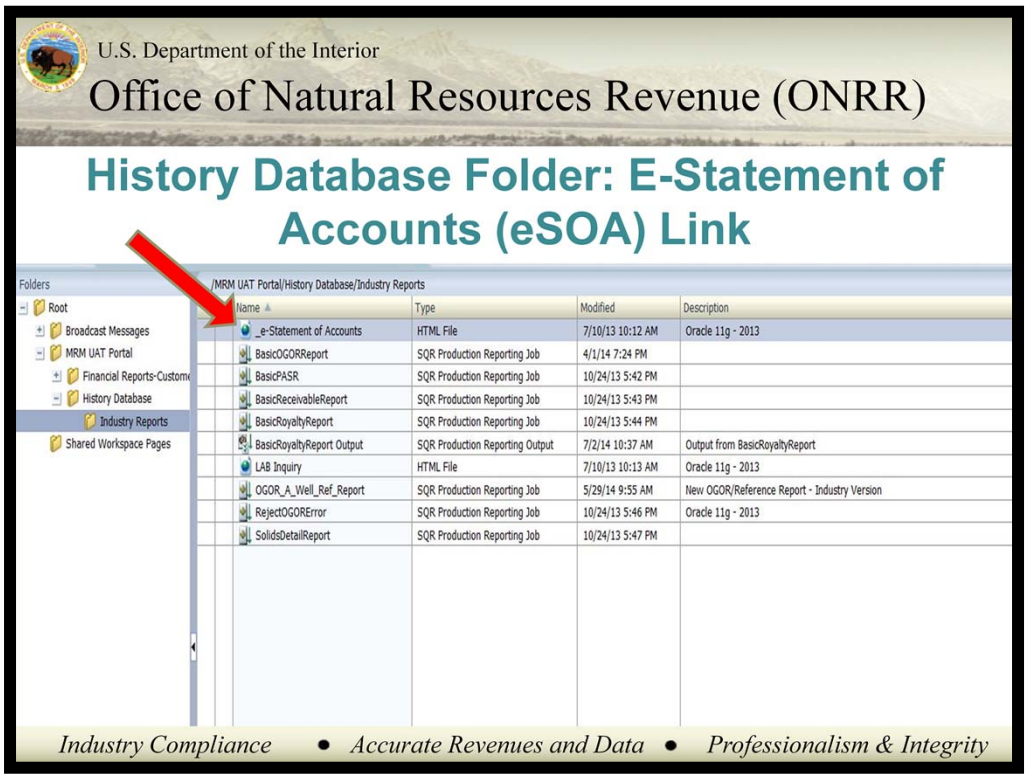


Minimum Royalty is met by royalties being paid on the lease. There is always a possibility of multiple payors on a lease.



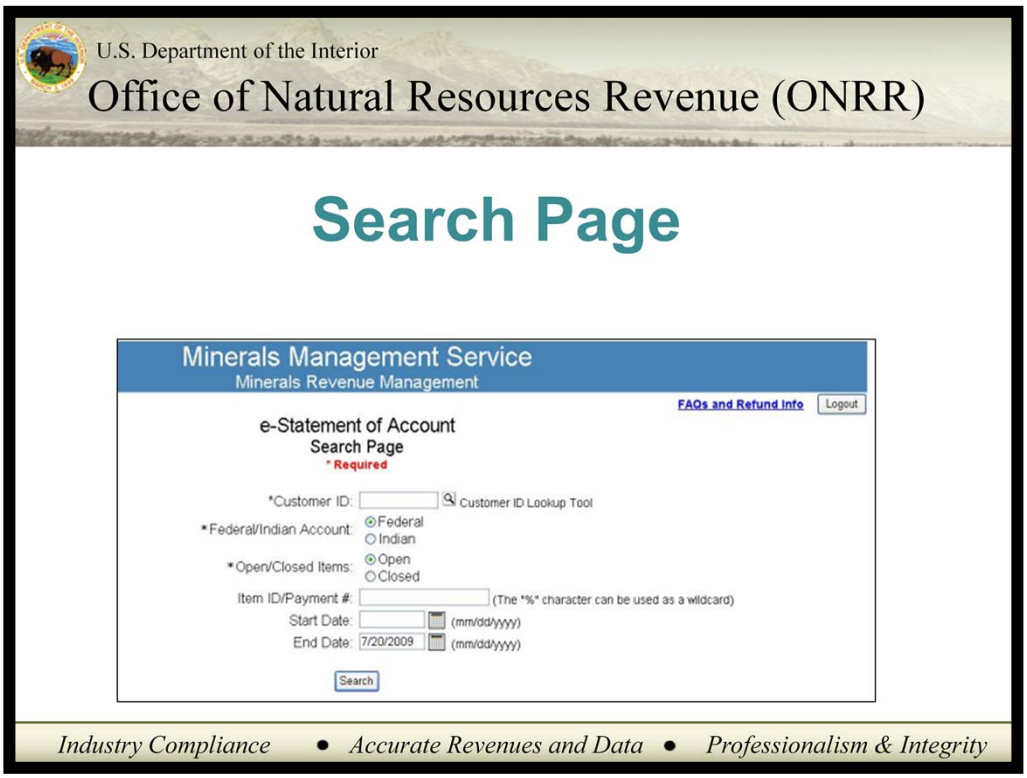
Due to security constraints you will not be able to access detail.



Access eSOA through the links provided in the Data Warehouse:

Financial Reports-Customers
Financial Reports->Accounts Receivable
History Database->Industry Reports page

Enter User ID and Password to accept the Rules of Behavior and to enter the eSOA system. It may take a few minutes to bring up this website, especially the first time you log in. Please be patient.



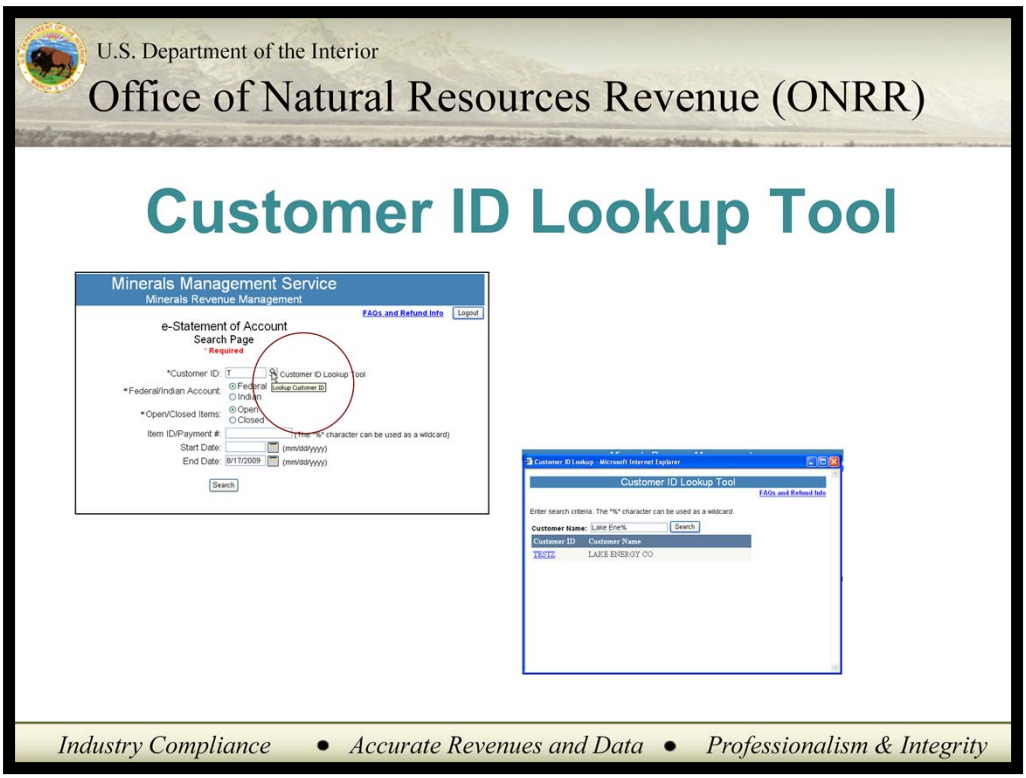
This brings you to the Search page where you enter criteria defining what you would like to see.

The FAQ and Refund link contains much useful information. It includes instructions on requesting a refund, how to avoid debt collection, how to change your company's address, and definitions of all the eSOA fields. We invite you to read through it the first time you enter the system.

Required fields are asterisked "*".

The first field is Customer ID. If you don't know the ID, you can use the Customer ID Lookup tool, which we will review in the next slide.

Notice that default selections are provided. To change the default dates, enter a new date.

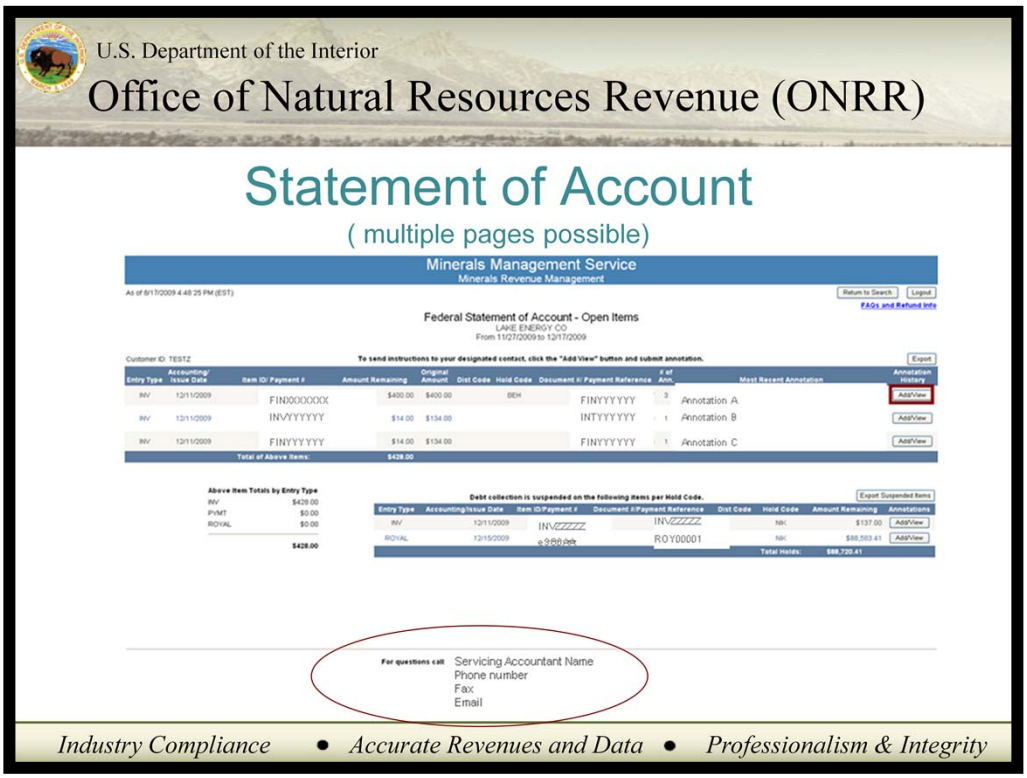


Do you need help remembering or finding the Customer ID? Use the Customer ID Lookup tool.

You will see all the Customer ID's that are associated with your User ID. If you don't have a list, or if you'd like to find a specific company name rather than choose from the list, we recommend typing the first few characters of the company name and using the wildcard character (%).

Please be aware that it may take some time to bring up the Customer IDs. It's searching through thousands of customer names.

When you find your Customer ID, click on the Customer ID link (the link is the underlined Customer Id) and it will populate the Customer ID textbox back on the Search page.



All items meeting the search criteria will be shown on these pages. If the items brought up by the search criteria exceed 20 lines, the system will create a page break. The links to the multiple page numbers (i.e. 1, 2, etc.) will be at the bottom of the 20 lines of data. Just like in other web pages, you will be able to click the links to go to the additional pages.

The number under the " # of Ann" column shows how many annotations exist for this item. The most recent is shown here, and the others are available by clicking the Add/View button.

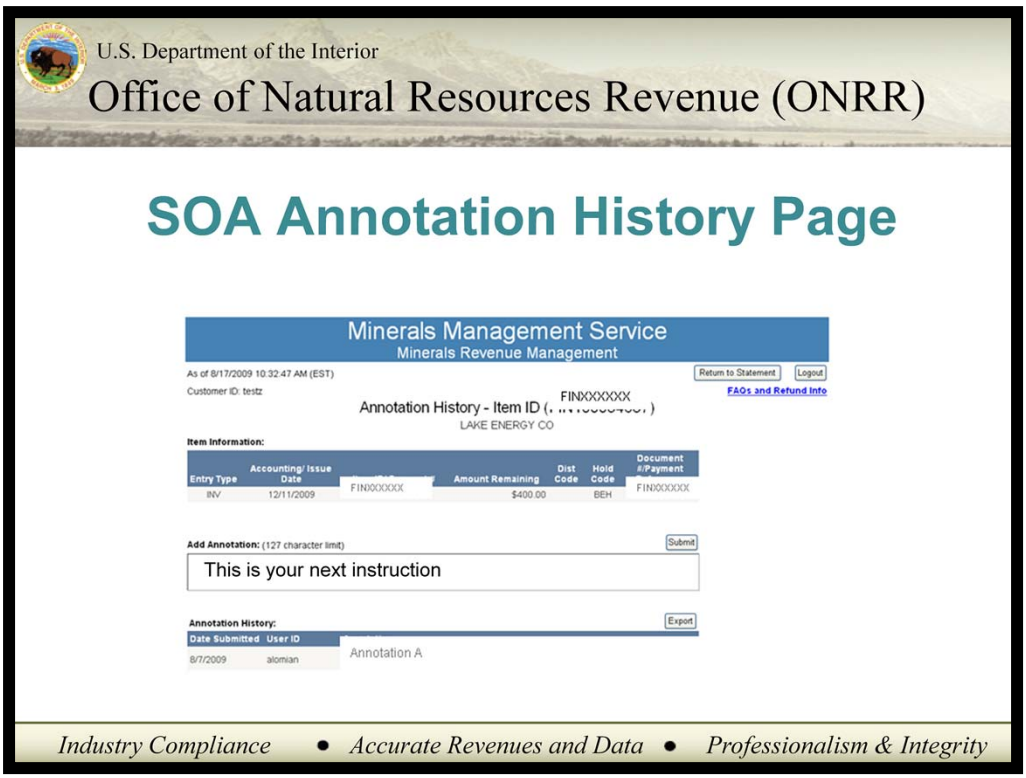
The "Above Item Totals by Entry Type" section gives subtotals for the INV, PYMT, and ROYAL Entry Types.

The "Debt collection is suspended on the following items per Hold Code section" shows that these items would not be eligible for debt collection because of reasons identified in their HOLD codes. The Hold code definitions can be found in the FAQ.

The "For Questions call:" Section is the servicing accountant contact information.

Export to MS Excel is available for both the items in the main data grid and the Hold area by clicking on the [Export] and [Export Suspended Items] buttons.

Field definitions can be found in the FAQ, available by clicking the "FAQ and Refund Info" link at the top left of the page.



This screen shows the Annotation History and provides a space for entering 127 characters for new annotations.

If you remember, I mentioned that your servicing accountant is notified via email when you submit your instructions.

You cannot delete the annotations once they are submitted, but if you have any concerns, you can always call the servicing accountant.

Important--We want you to be aware: The annotations are simply communication between you and our agency. eSOA cannot be used to in any way to document or file a formal appeal or protest. In no way do the annotations in eSOA constitute a formal legal statement or response.

The End

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Report of Sales And Royalty Remittance FORM-ONRR 2014 Report

ELECTRONIC REPORTING AND BASIC REPORTING PRINCIPLES

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This section will cover Electronic Reporting and basic information and instructions for ONRR royalty reporters. You should carefully follow reporting instructions to avoid delays in acceptance of reports and payments.

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Office of Natural Resources Revenue (ONRR)

- What We Will Be Reviewing

- eCommerce Website content
- Uploads
- CSV files

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Office of Natural Resources Revenue (ONRR)

How do I start reporting electronically?

Need a Payor ID or Operator ID, please contact:

- Jessica Bowlen for Payor ID at 303-231-3202 or Jessica.Bowlen@onrr.gov
- Denise McGee for Operator ID at 303-231-3627 or denise.mcgee@onrr.gov
- Fill out EMARF form located: http://www.onrr.gov/ReportPay/Forms/default.htm

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Office of Natural Resources Revenue (ONRR)

Leases Reported and Paid To ONRR

Federal Leases (Onshore)	Indian Leases (Tribal & Allotted)
• Royalty (Producing) • Minimum Royalty • Rent – 2014 Report	• Royalty (Producing) • Advance rent (Producing) • Rent (Non-producing leases that committed to producing agreements)

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Submit a Form 2014 if you assume responsibility for reporting and paying the following:

- Royalties on production from Federal or Indian leases and agreements
- Rent or minimum royalty
- Royalties on the sale of test production from the initial lease well before the lease is classified as capable of producing
- Fees on a gas storage agreement
- Royalties on compensatory royalty agreements or assessments against
- Federal or Indian lands
- Well fees if stated in the lease terms

Do not *combine Federal and Indian leases on the same report. A separate report is required for each.*

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Contact Information

Toll Free
1-800-525-0309 Royalty Team
1-800-525-9167 Reference Team
303-231-3650 Local Denver

FAX
(303) 231-3700 or (303) 231-3608

Electronic Commerce Contacts

For assistance with E-commerce, contact the Error Correction Analyst assigned to your company. The contact list can be found at:
http://onrr.gov/ReportPay/PDFDocs/royassign.pdf

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If you have a problem with reporting or reference actions, please call a member of the Reporting Services team. We are here to help whether it relates to reference actions or with reporting.

The ONRR Website provides a vast array of information for reporters and payors. By clicking on the Reporting/Paying heading – it will provide a drop down box that will direct you to Production Reporting, Royalty Reporting, Solid Minerals Reporting, Payments, Forms, Late Payment Interest, Handbooks, Reporter Letters, and Reporter Training.

The e-commerce Portal tab will be covered later in a separate, more-detailed presentation.

Clicking on the Payment Information subheading will bring you to this page. This webpage is a dedicated to payment information –where to send your check, interest calculation tables, electronic payment information, payment for Indian leases, New Payor checklist, and payment information contacts. The next slide will cover the section Electronic Payment Information.

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Electronic Payment Methods

- Pay.gov – Fast! Easy! Free!
  - Pay.gov is a free, secure, web-based electronic option to make royalty and invoice payments to ONRR. Pay.gov is available 24 hours a day, 7 days a week (holidays included) for customers to submit payments.
- U.S. Treasury Fedwire Deposit System
  - The U.S. Treasury Fedwire Deposit System (Fedwire) allows you to submit electronic payments to the Office of Natural Resources Revenue (ONRR) for same-day processing.
  - You must provide specific information to your bank so that a Fedwire message can be transmitted to the ONRR U.S. Treasury account. Your bank may require additional information that is not required by the ONRR. *Required* fields for the transfer message to ONRR, and a description of each item on the funds transfer message, are contained within the instructions.
- Automated Clearing House (ACH)
  - You have the ability to remit your payments to ONRR through the Automated Clearing House (ACH) network. Your bank will prepare the ACH payment based on your instructions, and then transfer the funds to ONRR's bank account. ACH payments require overnight batch processing by the banking industry, which will delay the receipt of funds by ONRR. Check with your bank to understand how long it will take for ONRR to receive an ACH payment, and make sure to time your transfers to meet payment deadlines.

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Payments are authorized by 30 CFR 1218.50. ONRR does not accept cash payments.

NOTE: *Include your five-digit, ONRR-assigned payor code and an eight-digit,*

PAD (Payor Assigned Document) number on all payments and reports. Assign a unique PAD number to each separate Form 2014. Your payor code and PAD number must match on your report and corresponding payment.

Electronic payments. Our regulations require the use of electronic funds transfer (EFT), such as Automated Clearing House (ACH) or FEDWIRE or Pay.gov, to the extent it is a cost-effective and practical for payment of any royalty liability.

If you pay by check, please read this.

As of January 1, 2012, you should prepare and send any payments made by check—regardless of different instructions on bills or correspondence—to this address:

Office of Natural Resources Revenue
PO Box 25627
Denver CO 80225-0627

The old ONRR PO boxes—**5640, 5760, 5810, 5860, 17110 and 173702**—are now closed. All mail sent to those boxes is being forwarded to our new PO Box, which can add days to its delivery. Please read and follow all instructions regarding payments by mail, as well as general correspondence, in the letter sent to all reporters on *August 29, 2011,* at
http://onrr.gov/ReportPay/PDFDocs/20110829.pdf

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Payment Type	Form that must Accompany Payment		Payment Options							
	Commodities except Solid Minerals	Solid Minerals	Federal				Indian (Tribes with a lockbox, see Instructions)			
			pay.gov	ACH	Fedwire	Check	pay.gov	ACH	Fedwire	Check
Rent (non-Courtesy Notice)	ONRR-2014	ONRR-4430 (P&R)*	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Royalty	ONRR-2014	ONRR-4430 (P&R)	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
FIN, IOR, OTH Invoices**	ONRR-2014	ONRR-4430 (P&R)	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
INT Invoice**	None	None	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Rent	Courtesy Notice	Courtesy Notice	No	No	No	Yes***	No	No	No	NA
ROW/RUE	Courtesy Notice	Courtesy Notice	No	No	No	Yes***	No	No	No	NA
Gas Storage	Courtesy Notice	Courtesy Notice	No	No	No	Yes***	No	No	No	NA
Deferred Bonuses	Courtesy Notice	Courtesy Notice	No	No	No	Yes***	No	No	No	NA
Well Fees	Courtesy Notice	Courtesy Notice	No	No	No	Yes***	No	No	No	NA

*If your payment is for a rental on a Solid Minerals lease that is NOT associated with a mine, it MUST be reported on an ONRR-2014.
**FIN - Financial Terms, IOR - Indian Over-Recoupment, OTH - Other, INT - Interest
***If you are paying rent, fees, or bonus via Courtesy Notice by check, do NOT send an ONRR-2014. You must put the MAXXX customer number, F/I (Federal/Indian) indicator, and lease number on your check. Include both the Courtesy Notice and your check in the envelope provided.

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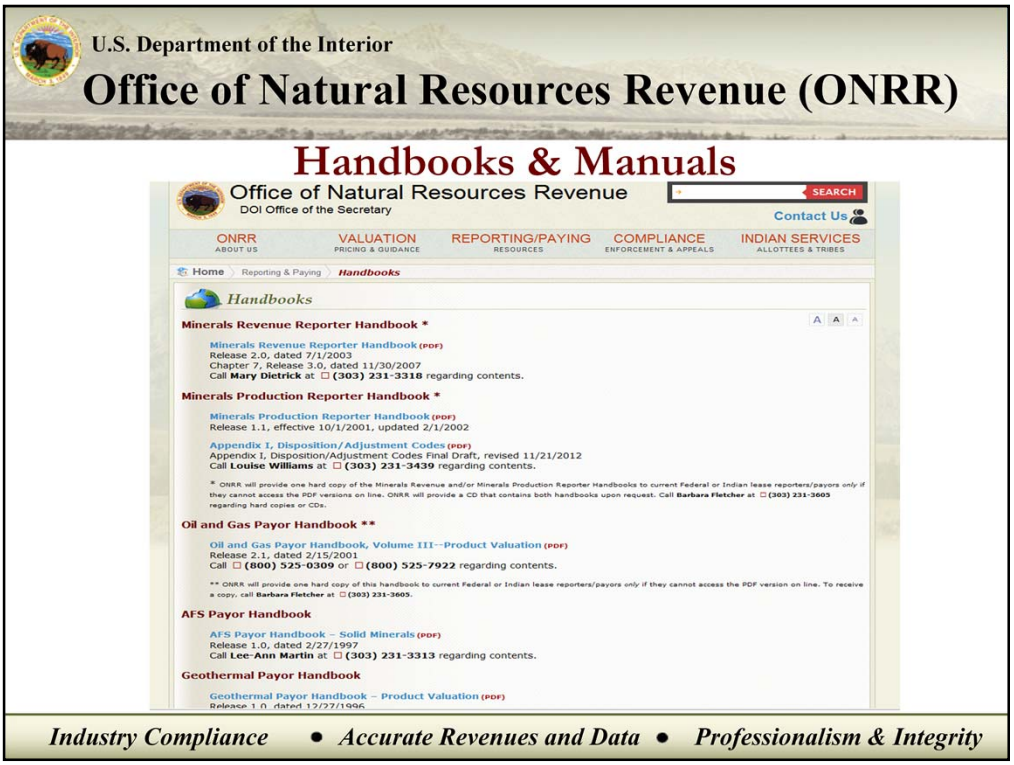
Chart available on www.ONRR.gov showing what type of payments are acceptable per transaction.

***If you are paying rent, fees, or bonus via Courtesy Notice by check, do NOT send an ONRR-2014. You must put the XXXXX customer number, F/I (Federal/Indian) indicator, and lease number on your check. Include both the Courtesy Notice and your check in the envelope provided.

The Reporting Information page is where you will find:

1. Checklists
2. Contacts – Production Reporting, Royalty Reporting and Lease and Agreement Maintenance
3. Electronic Reporting Information
4. Cross Referenced Lease and Agreement Lists



The Handbooks and Manual Page lists all handbooks and manuals available for reporters and operators to reference. This page includes:

- The Minerals Revenue Reporter Handbook -- This handbook provides instructions and examples to assist reporters in preparing the Report of Sales and Royalty Remittance (Form 2014), which is required by the Office of Natural Resources Revenue (ONRR) for reporting and paying revenues due on Federal and Indian oil, gas, and geothermal leases. ONRR, a bureau within the Department of the Interior (DOI), is responsible for collecting, accounting for, and disbursing revenues on minerals produced from Federal and Indian lands. ONRR receives and processes these payments through our financial accounting system, using the information reported on the Form 2014.

- The Minerals Production Reporter Handbook – provides detailed instructions on completing an Oil & Gas Operations Report (OGOR).

- The Oil and Gas Payor Handbook, Volume III—Product Valuation provides detailed royalty valuation procedures for Federal and Indian oil and gas leases and information on reporting processing and transportation allowances.

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Dear Reporter Letters

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Home > Reporter Letters

Reporter Letters

ONRR periodically sends Reporter Letters to active payors and reporters regarding important information such as system or procedural changes, deadlines, reporter training schedules, and updates to the Code of Federal Regulations.

The list of Reporter Letters is searchable by date or by word or words in the Subject line—it automatically sorts the list as you type in the Search field.

Note: In order to receive Reporter Letters, you must have at least one signed, original Form ONRR-4444 on file with us. The form and detailed instructions are on the Forms page.

Select a Reporter Letter to view it.

Show 10 entries Table Search:

Reporter Letter	Date
Oil and Gas Reporter Training sessions for 2014 (PDF)	06/10/2014
Reporting Crude Oil Type for Indian Oil Production (PDF)	03/31/2014
Royalty on Gas Used or Lost Along a Pipeline Prior to the Point of Sales (PDF)	08/08/2013
Geothermal Report -- Generating and Transmission (PDF)	06/19/2013
Geothermal Report -- Sale Type Code (PDF)	06/18/2013
Administrative Cost Assessment for Federal Debt Collection (PDF)	03/21/2013
OGOR B, Form MMS-4054-B, Change to Product Disposition for Certain Gas Sales. (PDF)	02/05/2013
Keepwhole Gas Processing Contracts (PDF)	11/21/2012
Indian Leases Dual Accounting, & Sales Beyond First Index Pricing Point (PDF)	08/27/2012
Indian Leases Arm's-Length Contracts, & Paying Royalties for Others (PDF)	08/27/2012

Showing 1 to 10 of 320 entries First Previous 1 2 3 4 5 Next Last

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The Reporter Letter page lists all letters to payors and reporters sent by FM, organized by date and by subject.

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Interest Tables

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Home > Reporting & Paying > *Late Payment & Overpayment Interest Tables '10-Current*

Late Payment & Overpayment Interest Tables

Years 2010 through Current Year

The Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (RSFA), requires ONRR to pay interest on federal oil and gas royalty overpayments. The RSFA also allows royalty reporters to calculate interest on royalties and to report this interest on the Report of Sales and Royalty Remittance, Form ONRR-2014.

This reporting option applies solely to federal oil and gas leases and to reports for sales months January 1997 and later. Reporters may begin reporting interest on overpayments and underpayments on Form ONRR-2014 for the October 1997 report month.

Underpayment interest on solid mineral and geothermal leases is calculated as simple interest using the United States Treasury Current Value of Funds Rate. Underpayment interest on oil and gas leases is calculated as compound interest using the Internal Revenue Service underpayment rate for corporate tax payers. Overpayment interest on oil and gas leases is calculated as compound interest using the Internal Revenue Service overpayment rate for corporate tax payers.

The following table contains the interest rates used to calculate underpayment and overpayment interest.

Interest Calculator (Excel)
Interest Table for Years 1997 through 1999
Interest Table for Years 2000 through 2004
Interest Table for Years 2005 through 2009

CLICK HERE FOR A SAMPLE INTEREST CALCULATION (CLICK TO OPEN - CLOSE)

Rates Used to Calculate Interest				
	Late Payments and Underpayments			Overpayments
Period	Indian Oil & Gas Leases	Federal and Indian Solid Mineral and Geothermal Leases *	Federal Oil and Gas Leases	Federal Oil and Gas Leases
1/1/2010 - 3/31/2010	4.0%	1.0%	4.0%	3.0%
4/1/2010 - 6/30/2010	4.0%	1.0%	4.0%	3.0%
7/1/2010 - 9/30/2010	4.0%	1.0%	4.0%	3.0%
10/01/2010 - 12/31/2010	4.0%	1.0%	4.0%	3.0%
1/1/2011 - 3/31/2011	3.0%	1.0%	3.0%	2.0%
4/1/2011 - 6/30/2011	4.0%	1.0%	4.0%	3.0%

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The Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (RSFA), requires ONRR to pay interest on federal oil and gas royalty overpayments. The RSFA also allows royalty reporters to calculate interest on royalties and to report this interest on the Report of Sales and Royalty Remittance, (Form 2014).

This reporting option applies solely to federal oil and gas leases and to reports for sales months January 1997 and later. Reporters may begin reporting interest on overpayments and underpayments on Form 2014 for the October 1997 report month.

Underpayment interest on solid mineral and geothermal leases is calculated as simple interest using the United States Treasury Current Value of Funds Rate. Underpayment interest on oil and gas leases is calculated as compound interest using the Internal Revenue Service underpayment rate for corporate tax payers. Overpayment interest on oil and gas leases is calculated as compound interest using the Internal Revenue Service overpayment rate for corporate tax payers.

This page contains the interest rates used to calculate underpayment and overpayment interest.

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Office of Natural Resources Revenue (ONRR)

New Payor Checklist

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Home > Reporting & Paying > New Royalty Reporter Checklist

New Royalty Reporter Checklist

Perform the following tasks to assure your company is set up to report and remit rental and royalties for Federal and Indian leases/agreements correctly and timely.

Have ONRR assign a Payor Code to your company

Contact Reporting & Solid Minerals Services at **(800) 525-0309**.

Establish access to the ONRR Data Warehouse

The ONRR Data Warehouse portal provides secure access to the eCommerce web site, where you report royalties electronically, and to the Data Warehouse, where you can view your reporting history, and to your Statement of Account. Access is granted on an individual basis. Have each individual who will report and/or access your archived data follow these steps:

1. Open and read the Acceptable Use Policy for External Users. (PDF)
2. Open the EMARF Form (PDF) and complete it using the EMARF Instructions. (PDF)

Establish your contact information with ONRR

Complete and mail at least one Form ONRR-4444 to ONRR to establish your official mailing and contact information. ONRR cannot enter or change contact information based on emails, phone calls, or other correspondence.

Form ONRR-4444 establishes address information for one or more correspondence types. Because our system allows one address/addressee for each correspondence type, you must submit separate forms for different addresses/addressees. New information will overwrite current information.

1. Open the Form ONRR-4444. (PDF)
2. Open and follow the Instructions for Form ONRR-4444 (PDF) to complete, print, sign, and mail the form to ONRR.

Send a Form W-9 to ONRR

You must complete, sign and mail a **Request for Taxpayer ID**, Form W-9, to establish your account with ONRR. Please read the instructions carefully.

- Form W-9 (PDF) (Request for Taxpayer ID)
- Form W-9 Instructions to Payors and Operators (PDF)
- 30 CFR citation re how to report a Taxpayer Identification Number (PDF)

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The New Payor Checklist page takes you step by step in ensuring that you have requested or submitted the required forms in order to start reporting and paying on Federal/Indian leases and agreements.

It provides answers to the following questions:

- How do I get a payor code?
- How do I get set up for electronic payments and electronic reporting?
- What forms do I need to fill out for reporting?
- What form do I need to fill out to ensure I receive correspondence from ONRR?
- Do I need to submit a W-9?

It also provides information and contacts to support and assist payors.

The New Operator Checklist page takes you step by step to assure your company is set up correctly to report production for offshore leases/agreements or for onshore Federal and Indian leases/agreements.

It provides answers to the following questions:

- How do I get an operator code?
- What forms do I need to fill out for reporting?
- What form do I need to fill out to ensure I receive correspondence from ONRR?

It also provides information and contacts to support and assist operators.

www.ONRR.gov homepage has a “Favorites” section that includes links to eCommerce and Data Warehouse.

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Office of Natural Resources Revenue (ONRR)

Reports and Payments

- Include your five-digit, ONRR-assigned payor code and an eight-digit PAD number on all payments and reports.
- Your payor code and PAD number must match on your report and corresponding payment.
- The payment total and the 2014 report total must match.

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Include your five-digit, ONRR-assigned payor code and an eight-digit PAD number on all payments and reports. Your payor code and PAD number must match on your report and corresponding payment.

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Due Dates

- **Royalties are due the last day of the month following the month the product was sold or removed from the lease.**
  - **If the last day of the month falls on a weekend or Federal holiday, the royalties are due the next business day.**
  - **Payments are due by 4 p.m. Mountain Time and are credited when received; postmark does not apply.**
- **Minimum royalties Payments –** Reports and payments for minimum royalties are due to ONRR by 4:00 p.m. mountain time on or before the last day of the month and year of the lease year, regardless of whether or not there is an estimate established on the lease.
- **Rental Payments –** Reports and payments for rents are due to ONRR by 4 p.m. mountain time on or before the lease anniversary date.
- **Reports are due by 6 pm Mountain Time if reporting electronically; received by 4 pm Mountain Time if reporting on paper.**

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Royalties. Forms 2014 and related payments are due to ONRR by 4 p.m. mountain time on or before the last day of the month following the month the product was sold or removed from the lease unless lease terms state that royalties are due otherwise

Rentals. Reports and payments for rents are due to ONRR by 4 p.m. mountain time on or before the lease anniversary date.

Minimum royalties. Reports and payments for minimum royalties are due to ONRR by 4:00 p.m. mountain time on or before the last day of the month and year of the lease year, regardless of whether or not there is an estimate established on the lease.

NOTE

If the last day of the month falls on a weekend or Federal holiday, send us the report and payment by 4 p.m. mountain time the next business day.

NOTE

We credit Form 2014 reports and payments when we actually receive. The receipt date is the date we receive the document; the postmark does not apply.

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Authorized Reporting Forms

- Paper Form 2014
  - Only to be used if you are not required to report electronically
  - Photocopies must be 81/2 inches long by 14 inches wide.
- Electronic Form (e-Commerce)
  - ONRR now requires reporters to submit data electronically

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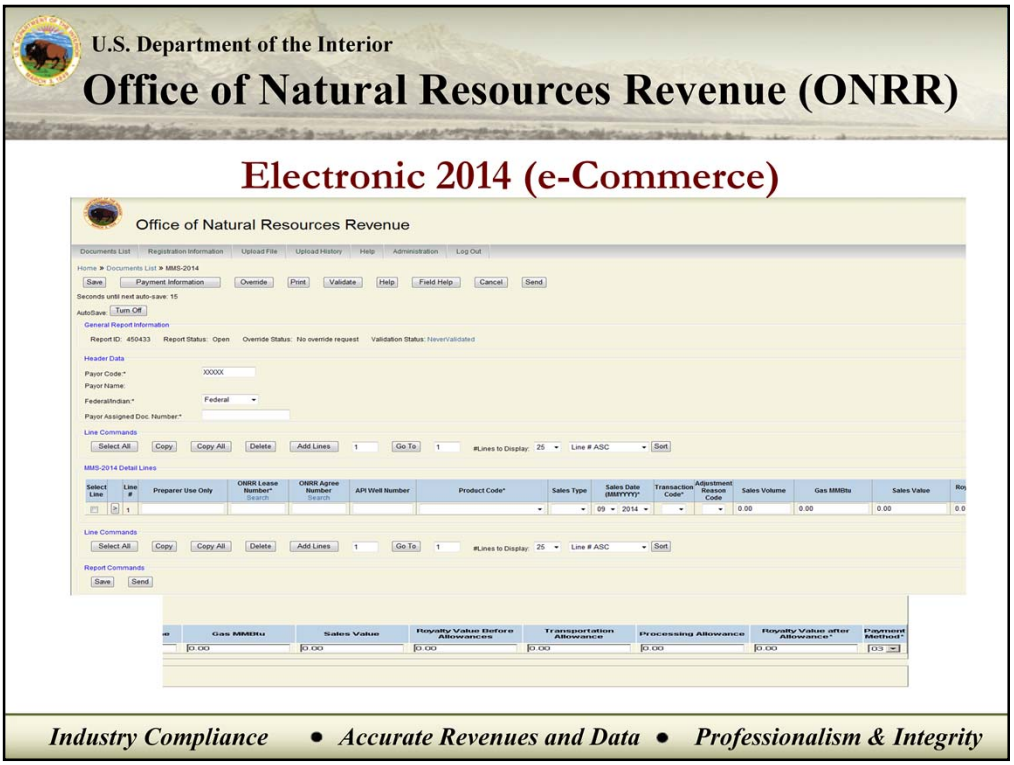
We now require reporters to submit data electronically. (See Electronic Reporting, Final Rule, 64 FR 38116, July 15, 1999.)

If you are not required to report electronically, you can print copies of Form 2014 from our website. Photocopies must be 8-1/2 inches long by 14 inches wide.



The information reported on the Form 2014 are:

- Royalties on Federal and Indian leases.
- Minimum royalty on producing leases.
- Rents on producing Indian leases.
- Rents on Federal leases

We will go through each field of the Form 2014. The slides are presented in electronic reporting format so you are able to visually see the separate fields and correct reporting. However, the paper and electronic forms require the same information; the difference between paper and electronic reporting is the way information is input.

This is an example of what the Electronic 2014 (e-Commerce) form looks like.

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PARTS OF THE 2014

HEADER

DETAIL

TRAILER

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The 2014 is divided into 3 sections:

The Header, the Detail and the Trailer.

The following screens will provide detailed information on these 3 sections.

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HEADER SECTION

Header Data

Payor Code:*	99999
Payor Name:	Control Customer
Federal/Indian:*	Federal
Payor Assigned Doc. Number:*	

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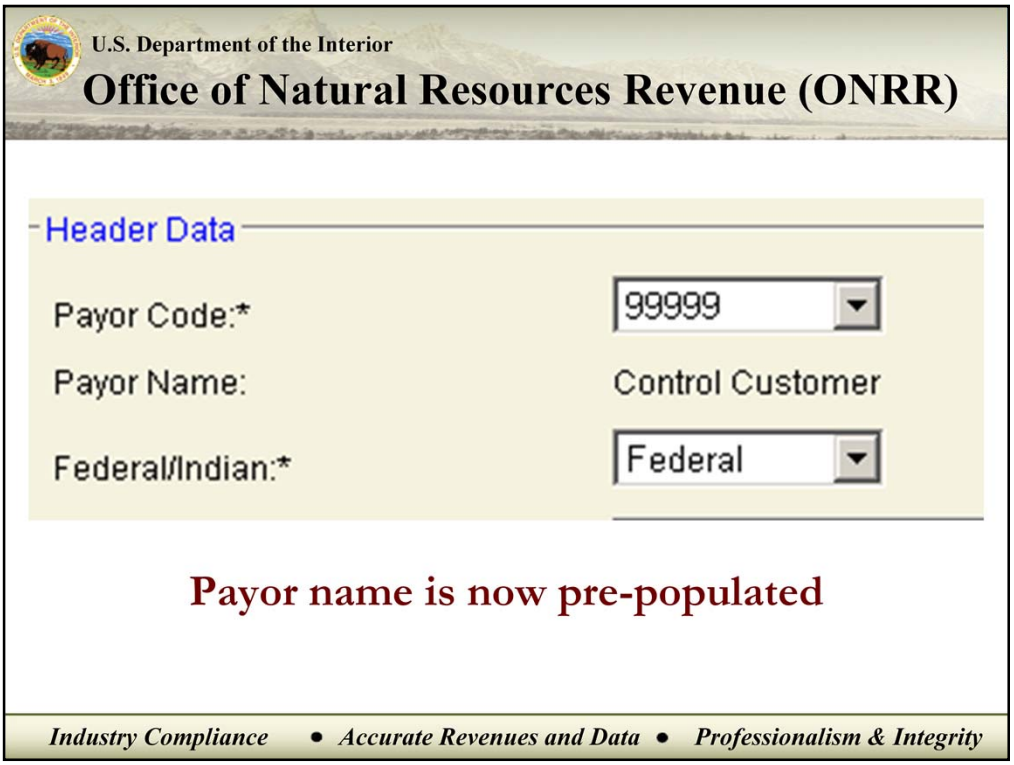
We will begin with the Header Section which identifies the report and the company reporting the data. This information is very important as it is repeated on the payment to assure report and payment matching.

The Payor Code field identifies the company who is reporting. The payor code is five digits and is assigned by ONRR. A pull down list will show you all the codes that you are authorized to use.



Payor Code. (you will click on the down arrow)

If there is more than one code listed, select the payor code that you will be reporting on.

The payor code is a five-digit number assigned by ONRR and identifies the company. We do have edits that will reject the entire report if an invalid payor code is used.

It is vital that your payor code must be on all payments and reports as already stated in the previous section.

Once you have selected the payor code, the Payor Name Field will automatically populate.

Remember: If you report using more than one payor code, you need to prepare a separate report and matching payment for each payor code.

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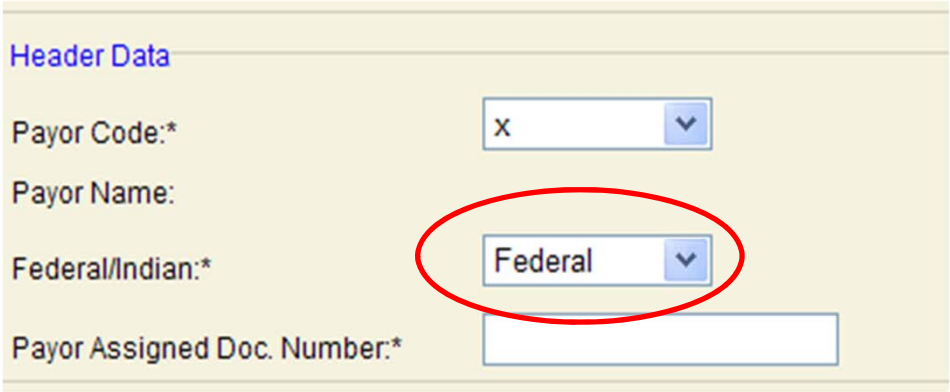
Office of Natural Resources Revenue (ONRR)



- **Report Indicator: Select Federal or Indian from drop down**
- **Separate reports for Federal and Indian leases.**

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Your report must indicate whether it is for Federal or Indian reporting.

Please remember: You must remit separate reports for Federal and Indian leases. You ***cannot*** report Federal and Indian on the same report.

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Office of Natural Resources Revenue (ONRR)

Header Data

Payor Code:*	99999
Payor Name:	Control Customer
Federal/Indian:*	Federal
Payor Assigned Doc. Number:*	

The Payor Assigned Doc. Number must be entered.

- **Payor-Assigned Document Number or PAD #:**
- **Assigned by the payor**
- **Eight digit field (numeric, alpha or combination)**
- **Required on all payments and reports**
- **Unique for each payment/report combination**

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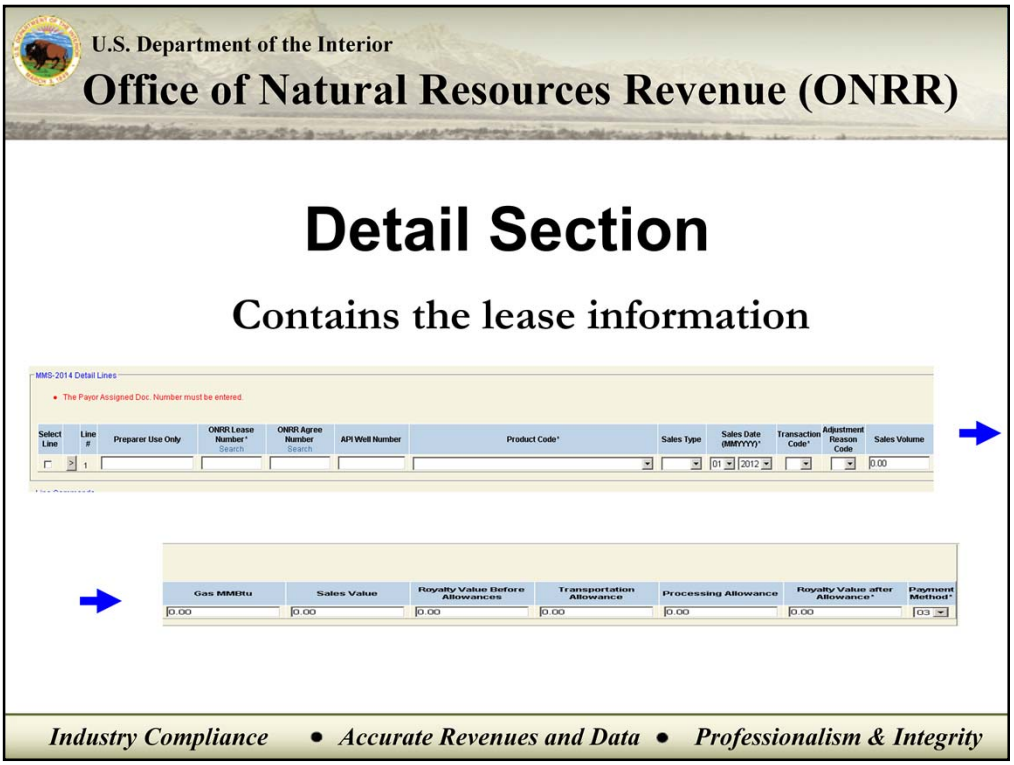
The Payor Assigned Doc. Number is an eight-number identifier chosen by the payor. This number must be unique. Note: If you are reporting an audit finding, you must use the UFI (Unique Finding Identifier) as the Payor Assigned Doc Number. The UFI is provided in the Issue Letter or Order that you received from ONRR. Audits are no longer reported on the ONRR-2014 used to report royalties. Audits are reported on the CMP ONRR-2014. More detail is given regarding the CMP later.

This is required on all payments and reports. The same PAD number must be included on the accompanying payment document, including payments made to lockboxes.



The Detail Section is the area where you will input your lease information.

When filing electronically, you'll find it all contained in one very long line which you have to scroll through. Because electronic reporting is required, we will be showing the fields as they appear on the website. These fields are stacked on the paper 2014.

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Preparer Use Only

Use this space to communicate with ONRR

Identify property: property name, company lease number – Up to 20 characters

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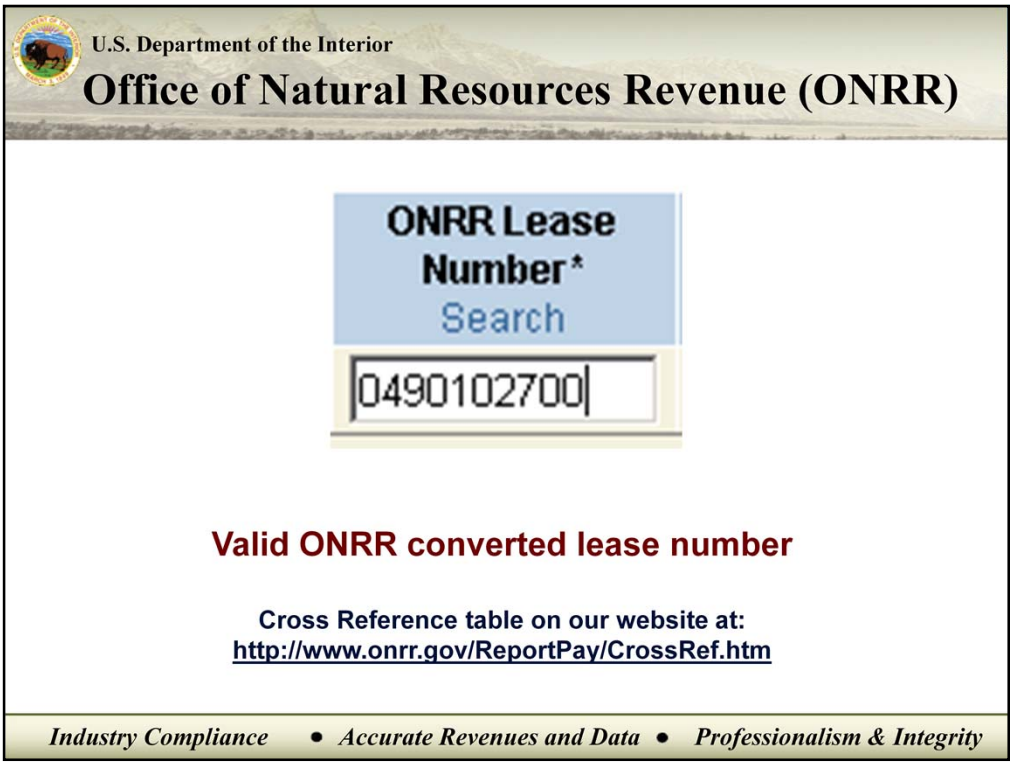
In the Preparer Use Only field, a payor is able to communicate with ONRR. This field is restricted to 20 characters. If special characters are used please make sure there are spaces before and after.



Must be completed with a valid ONRR-converted lease number consisting of 10 digits (a 3-digit prefix, 6-digit body, and 1-digit suffix).

If you do not know the ONRR converted lease number, go to

http://www.onrr.gov/ReportPay/CrossRef.htm

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Valid ONRR converted agreement number

Cross Reference table on our website

at:

http://www.onrr.gov/ReportPay/CrossRef.htm

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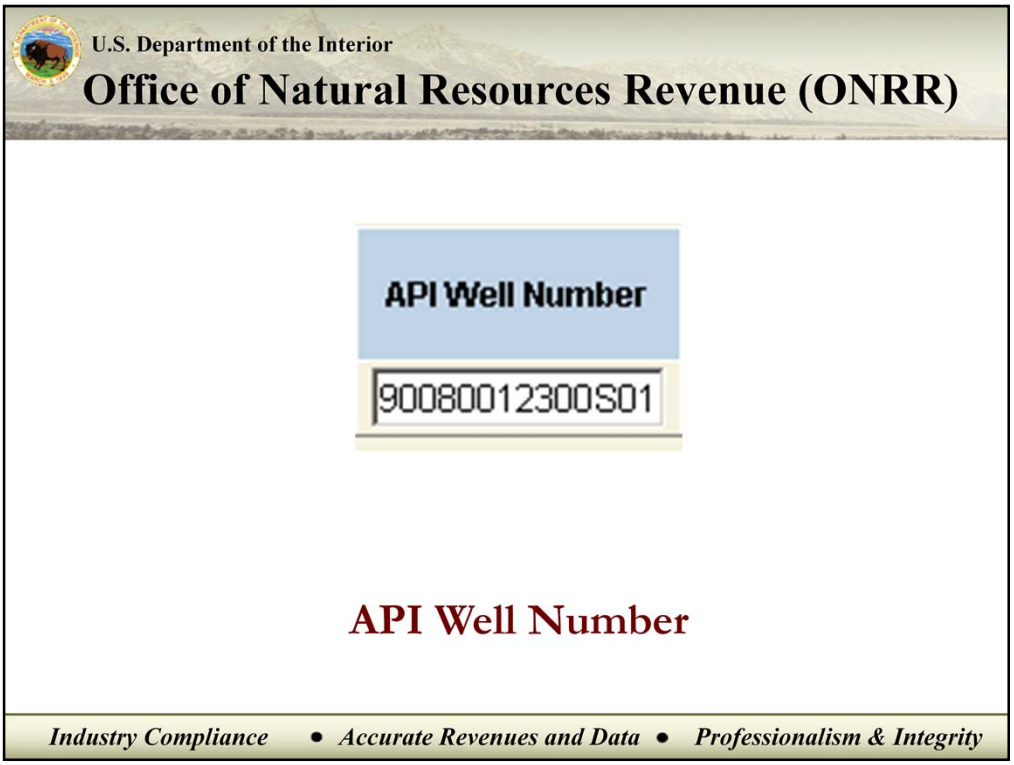
When reporting royalties based on production allocated from an agreement, the ONRR converted agreement number should be reported) in addition to the lease number in block 7. The agreement number consists of three parts:

Prefix = 3 characters, left justified
Serial No. = 6 characters, right justified
Suffix = 2 characters, left justified



Complete or leave blank.

Report this number only if required by ONRR on certain Indian properties and offshore deep water wells under royalty relief. If you are required to report this number, enter a 15-character set that consists of the 12-digit API-assigned well number and the 3-character producing interval indicator; for example, 90080012300S01.

Report the product sold or removed from the lease. Below we have listed some of the product codes associated to Oil and Gas. For a complete list of product codes, please visit Minerals Revenue Handbook Appendix C. Don't forget to use the new Product Codes for Oil when reporting Indian. We will talk more about this when we cover What is New.

Code	Description
01	Oil
02	Condensate
03	Processed (residue) gas
04	Unprocessed (wet) gas
05	Pipeline condensate, retrograde condensate, drip condensate, drip liquid, scrubber/pipeline drip
06	Plant inlet scrubber
07	Gas plant products
09	Nitrogen
12	Flash gas
13	Fuel oil
14	Oil lost

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Sales Type

Report the disposition of production by contract type

Examples

ARMS
NARM
POOL
OINX
APOP
NPOP
AG

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ARMS -- sold under an Arms Length Contract

NARM -- sold under a Non Arms Length Contract

POOL -- Some companies aggregate their volumes in pools and then sell or exchange their product under multiple contracts. In a pooling situation, you will determine value by computing a weighted average of the prices for all ARMS and NARMS sales at all downstream sales outlets.

OINX -- Use OINX to report Federal lease oil production that is valued based on index. Use OINX to report Indian lease gas production that is valued based on index regardless of contract type (POP, NARM etc.).

APOP -- POP contracts are defined as sales of gas prior to processing in which the value of the wet, unprocessed gas is based on a percentage of the proceeds the purchaser receives for the sale of residue gas and gas plant products attributable to processing the lessee's gas. (Use for arm's length)

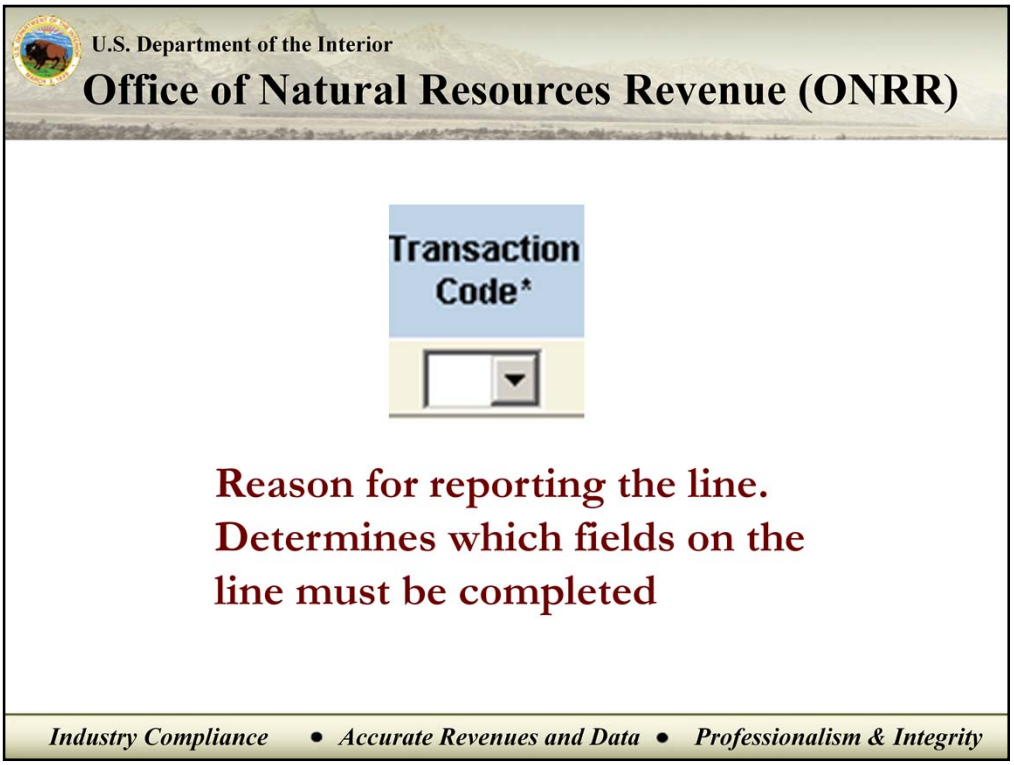
NPOP -- POP contracts are defined as sales of gas prior to processing in which the value of the wet, unprocessed gas is based on a percentage of the proceeds the purchaser receives for the sale of residue gas and gas plant products attributable to processing the lessee's gas. (Use for non- arm's length)

AG – only used when audit indicates to use this code.

These will be explained further during the valuation training.

This indicates the month and year the product was sold or removed from the lease.

- For Royalties: Use the month the product was sold or removed from the lease.
- For Minimum Royalty: Use the last month/year of the lease year that your minimum royalty obligation is due.
- For Rent: Use the first month/year of the lease year that your rent is due.



It identifies the reason for reporting the line. Report the appropriate transaction code listed in the Minerals Revenue Handbook Appendix E. Our edits are transaction code specific so using the correct Transaction Code is important.

Transaction Code Examples:

Code	Description
01	Royalty Due
02	Minimum Royalty Payment
03	Estimated Royalty Payment
04	Rental Payment
05	Advance Rental Payment
11	Transportation Allowance
15	Processing Allowance
25	Recoup Advance Rental Payment

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Use to identify the reason for an adjustment to a previously accepted line or a special reporting situation

Use a valid ARC: ***10, 15, 16, 25, 32, 35, 49, (71 for interest)***

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This code tells us why you are adjusting a previously reported line or a special reporting situation.

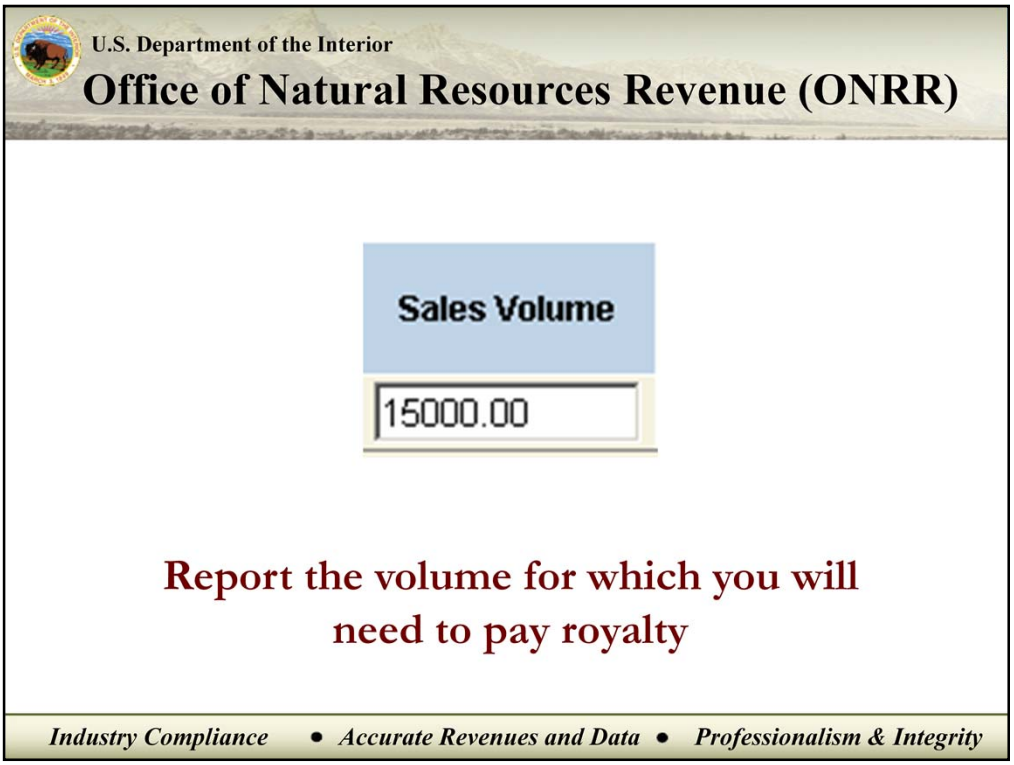
- Adjustments are a two-line entry; report the ARC on both lines.
- Unless instructed otherwise by ONRR, industry can report volume, value, and royalty rate adjustments using ARC 10 - Adjustment.

Here are the codes and descriptions:

Code	Description
10	Adjustment
15	Marginal Property True UP
16	Major Portion/dual accounting – Used on both CMP/ROY
17	ONRR Initiated Compliance Adjustment – Only used on CMP
32	Estimate Adjustment
35	Unit participating/Communitization agreement adjustment
49	Index zone/dual accounting price adjustment – Used on both CMP/ROY
71	Estimate underpayment/overpayment interest
72	Audit underpayment/overpayment interest – Only used on CMP

If you receive an Audit or Compliance letter stating to use ARC17 or ARC72
If you are working with an auditor using ARC16 or ARC49

ARC17 and ARC72 MUST be done on the CMP-2014.
ARC16 and ARC49 are allowed on both the 2014 and the CMP-2014.



Enter the volume of the product sold or removed from the lease or from the lease-agreement combination that you are reporting and paying royalties.

If reporting royalties you are going to need your contract, gas plant statements, oil run tickets, agreement allocations if required, owners interest. If reporting volumes that are within an agreement, you must report to all royalty bearing leases according to the allocation schedule.

Use the below formulas to report volumes:

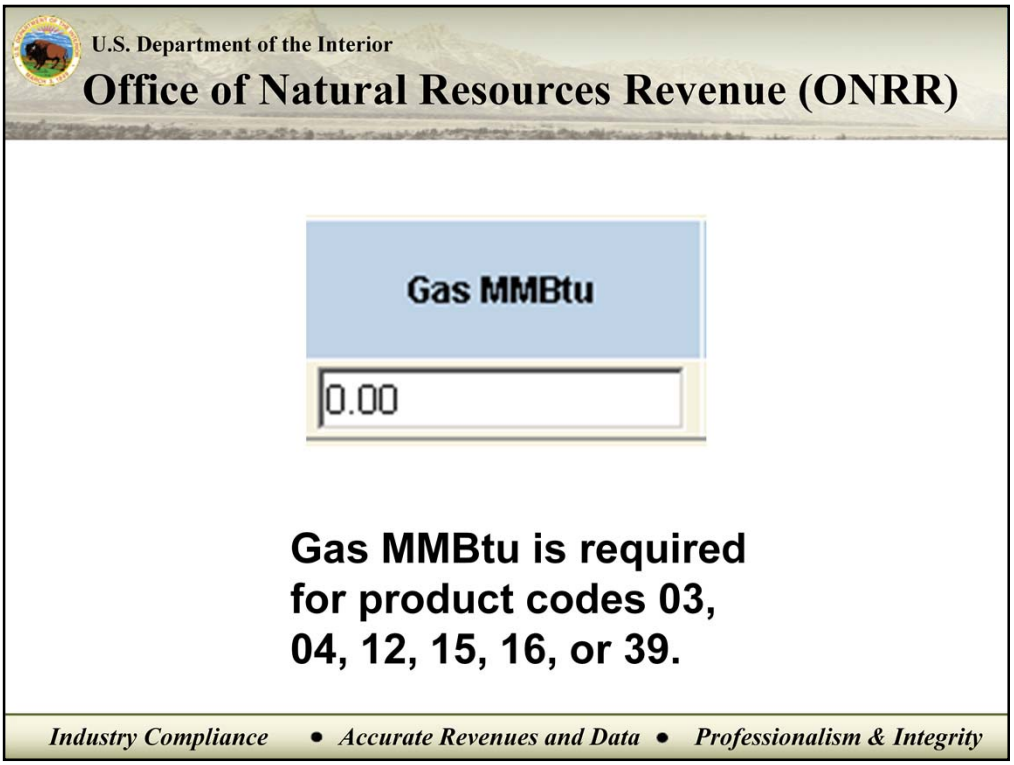
Leases not within an agreement:

Amount removed or sold x owners interest

Leases within an agreement:

Amount removed or sold x owners interest x F/I interest x Agreement Allocation

For more information see the Minerals Revenue Handbook and previous presentation on leases and agreements.



Report a Gas MMBtu for the following gas products: 03, 04, 12, 15, 16, or 39; Otherwise leave the field blank. You need to adjust the gas volume and btu heating value to the standard pressure base of 14.73 psia, standard temperature of 60 degrees F and the same degree of water saturation.

•To calculate: example: 500 Mcf x 1.100 Btu Factor = 550 MMBtu; in other words, sales volume x Btu factor= Gas MMBtu).

•The Btu and/or MMBtu should be available to you on your gas plant statement.

• We expect reporters to determine and report the correct Gas MMBtu information on all lines.

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Sales Value

45787.50

For product codes 03, 04, 12, 15, 16, or 39, use MMBtu price:

Sales Value = gas MMBtu x MMBtu price

For other product codes, use bbl, gal, Mcf, or long ton price:

Sales Value = Sales Volume x unit price

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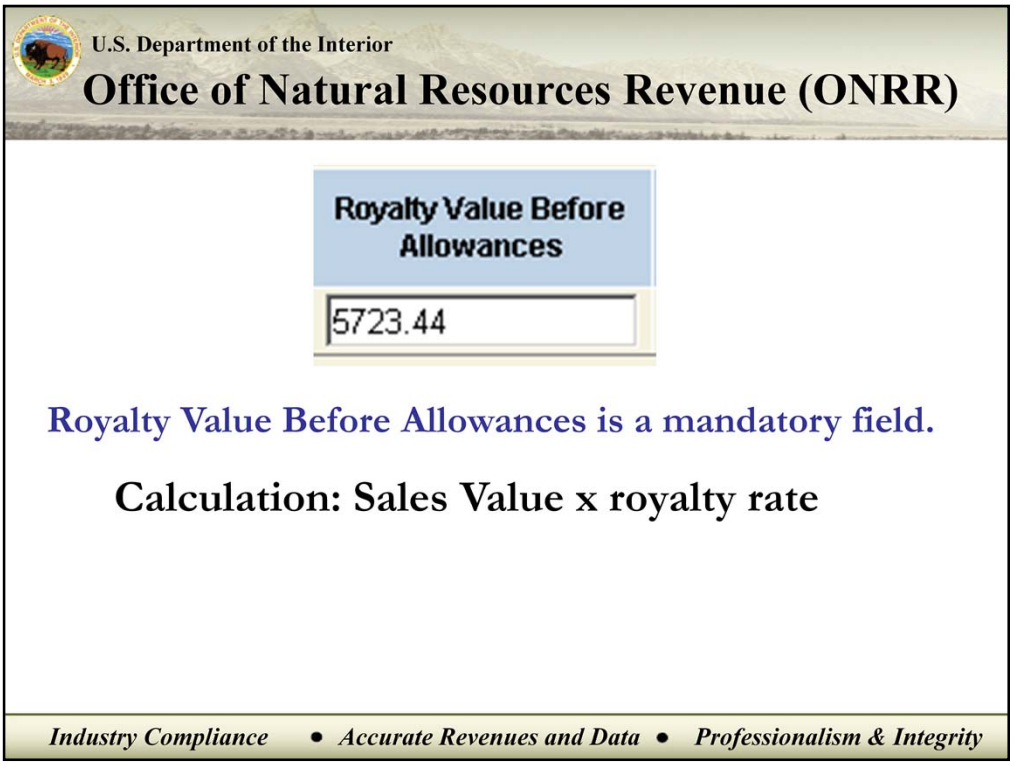
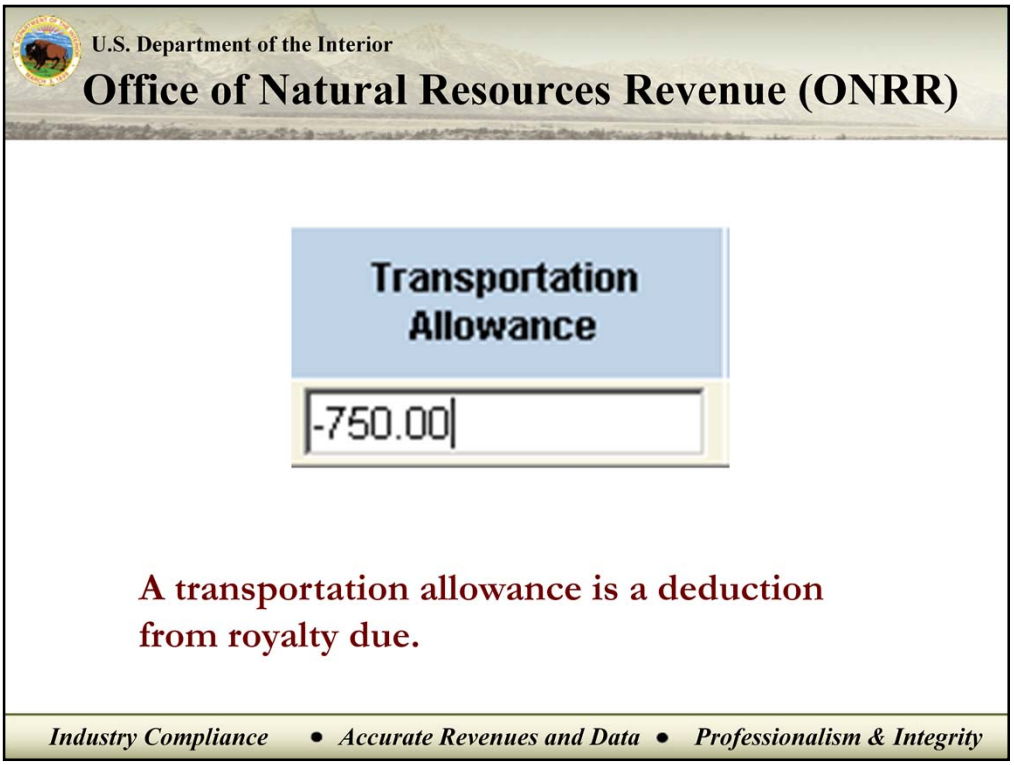
- For gas products 03, 04, 12, 15, 16, or 39, report gas MMBtu x Unit price.
- For all other products, report sales volume times the unit price



Calculation: Sales value x royalty rate.

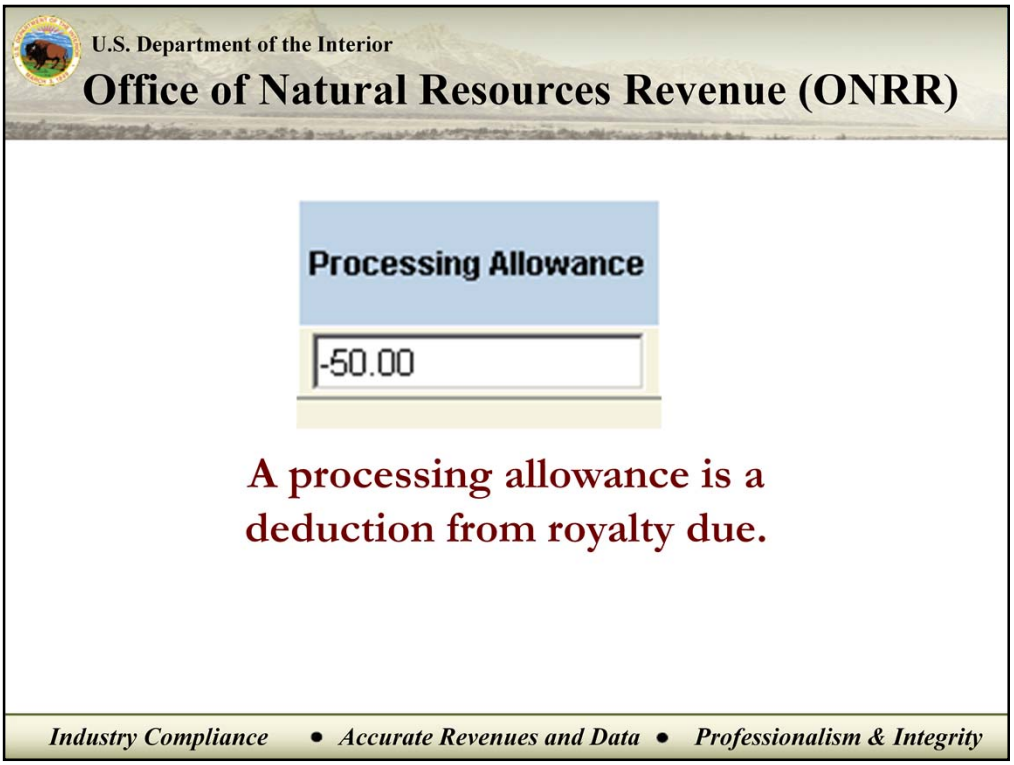
It is critical to use the correct royalty rate when calculating your payment to ONRR. The **lease royalty rate** is specified in your lease terms. However, your royalty rate may be modified by various royalty relief programs.

Don't confuse your royalty rate with your division order percentage. The royalty rate is a component of the DOP.



Transportation allowance is a deduction from royalty due for the reasonable, actual costs of transporting your production. Make sure you report the allowance with a **negative sign**.

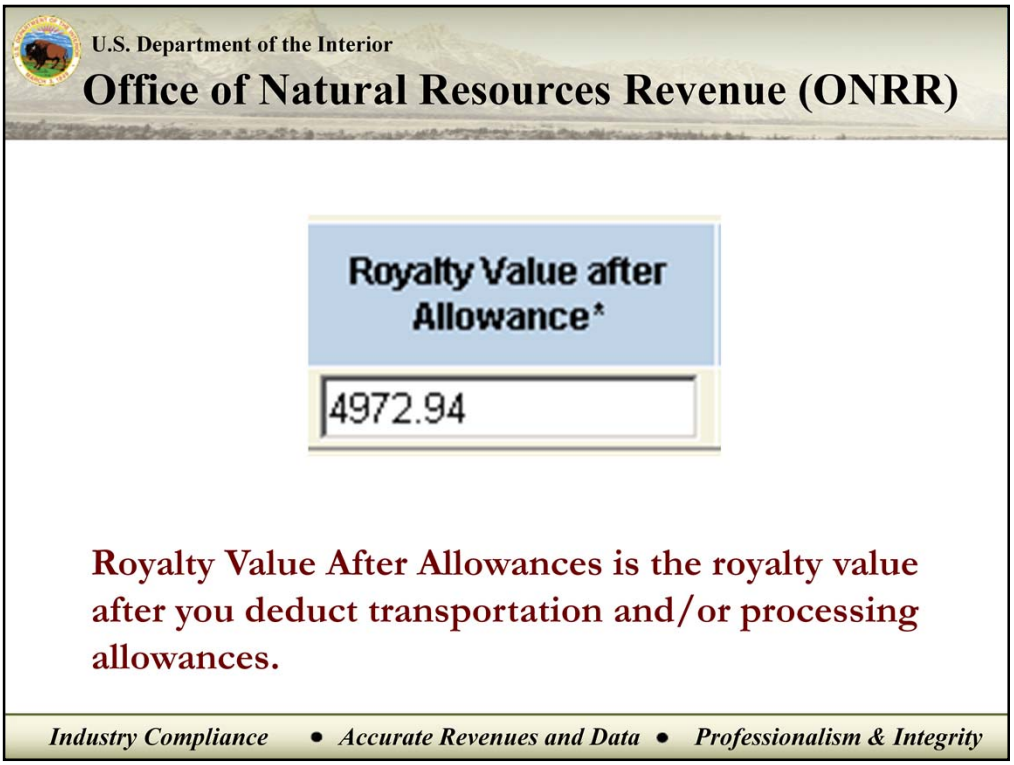
Your transportation allowance may not exceed 50 percent of the "royalty value prior to allowances" of the product without prior ONRR approval.



Processing allowance is a deduction from royalty due for the reasonable, actual costs of extracting and recovering gas plant products from a gas stream (product code 07). You should report the allowance with a **negative sign**.

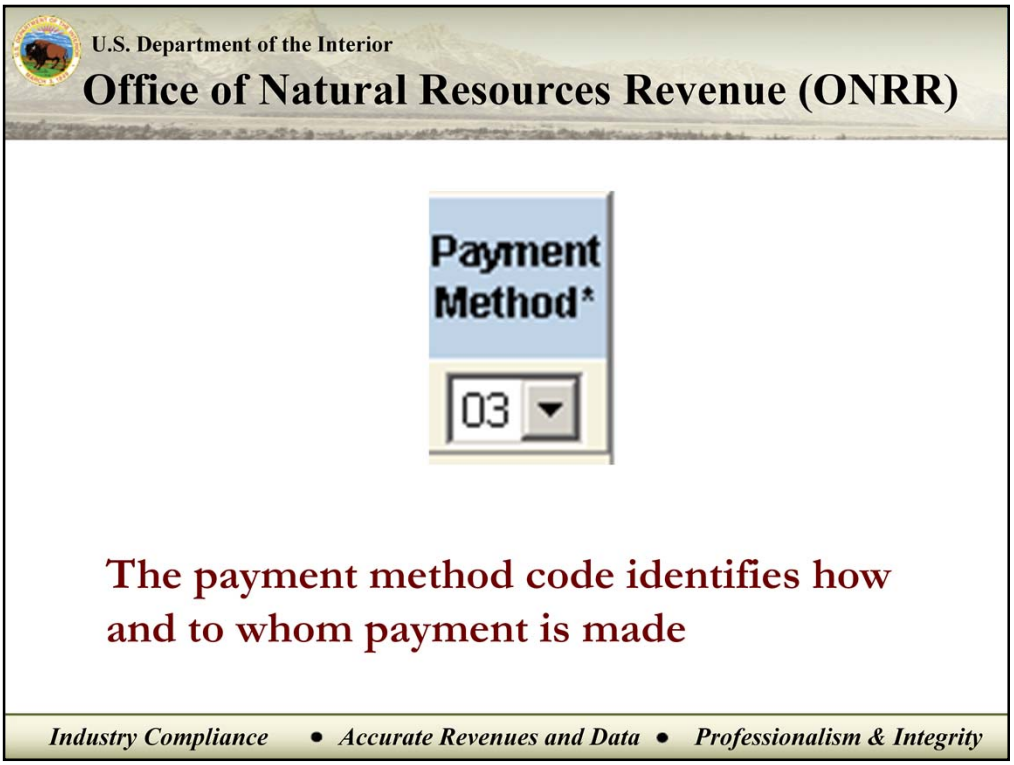
Your processing allowance may not exceed 66 2/3 percent of the "royalty value prior to allowances minus transportation allowances"** of individual gas plant products without prior ONRR approval. All NGL's recovered at a processing plant are considered a single gas plant product for ONRR reporting purposes and is product code 07.

**Unless transportation allowances are pre-processing



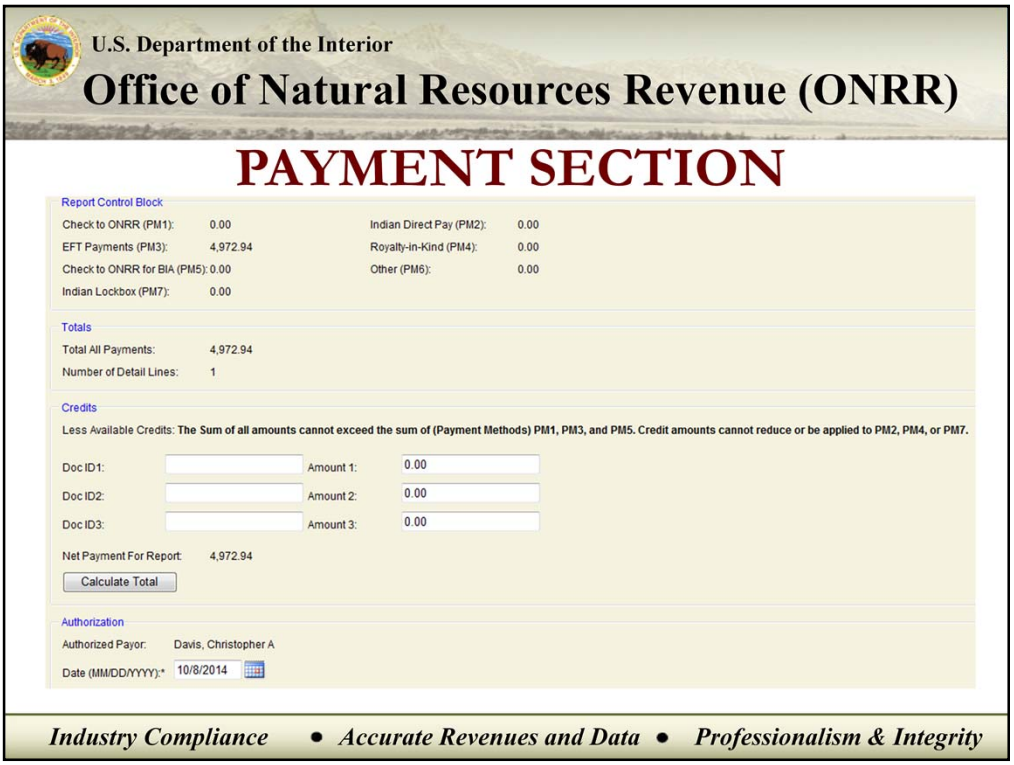
Royalty Value After Allowance is the royalty value after you deduct your transportation and processing allowance deductions.

Calculation: RVPA - TA – PA = RVLA



Report a payment method on all lines, even if your line is negative or no payment is made.

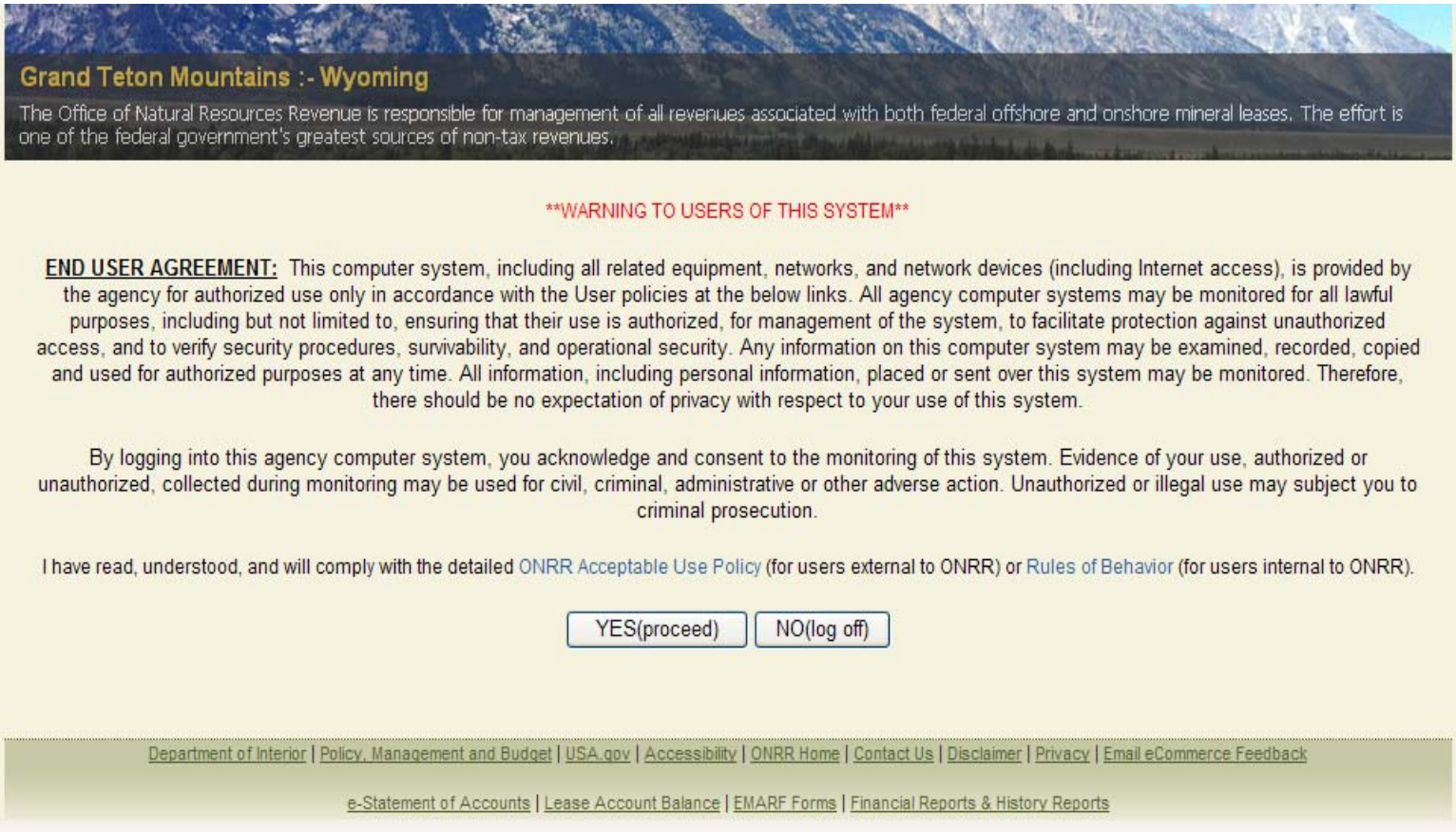
- Your payment method identifies how and to whom the payment is made.
- Use Payment Method 03 for all electronic payments. This includes Pay.gov.



Note the calculate button, the authorizer signature space, and the credit id lines.

More about Electronic Reporting

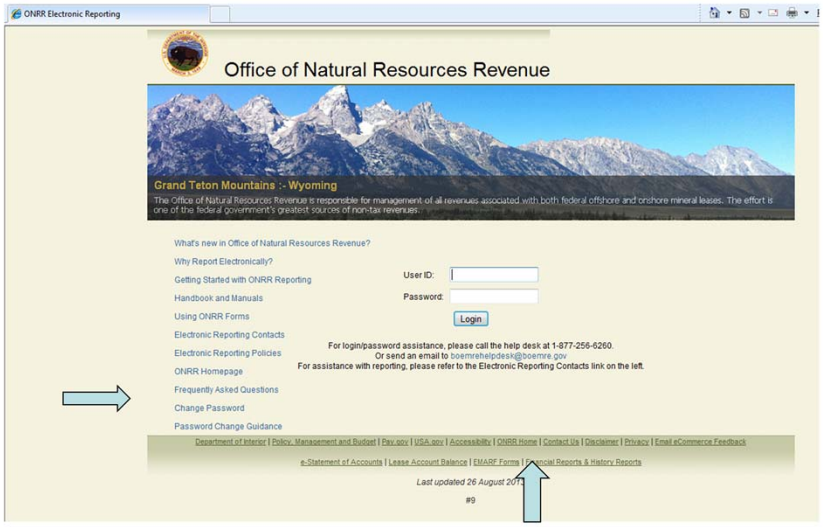
- eCommerce Website content – how do I use the website
- Uploads – Uploading files created by you or your system
- CSV files – How you can create a 2014 file that can be uploaded



Go directly to the site: https://onrrreporting.onrr.gov

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)



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How to Reset Your Password for eCommerce (ONRR Reporting)

Audience

This document is for all those who access the ONRR Reporting website by starting at the following website: https://onrrreporting.onrr.gov/.

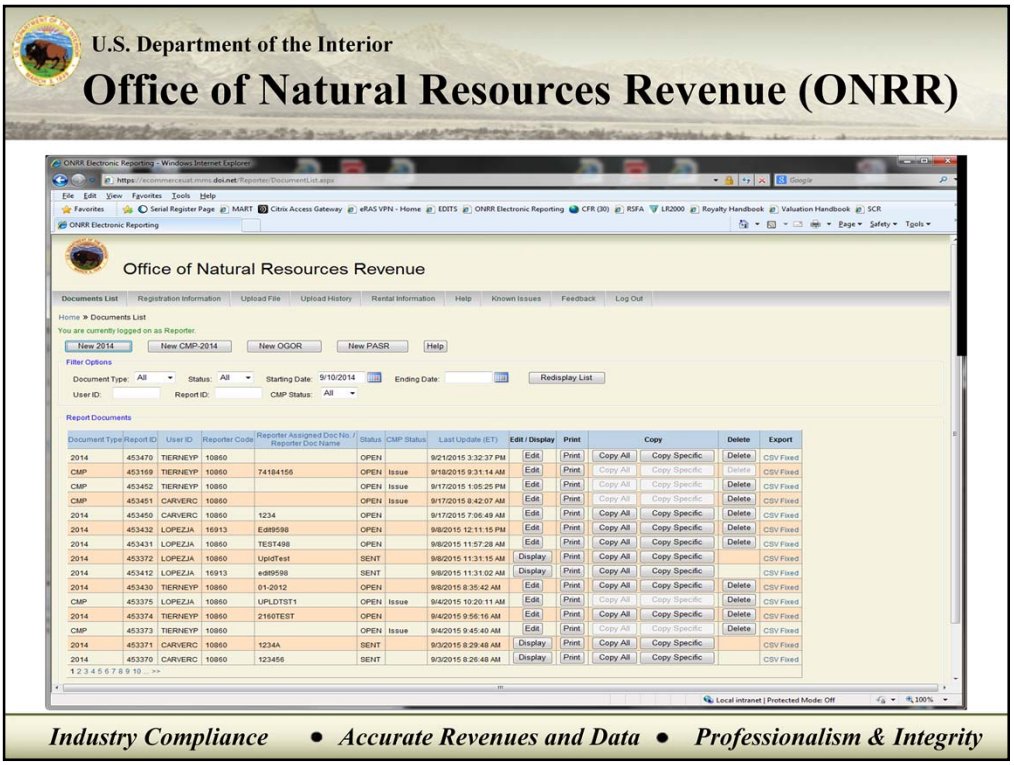
Password Expiration

A password for ONRR Reporting is only good for 60 days. If it expires you will need to call the ONRR Help Desk and have them reset it for you. If your password has been expired for 30 days or more, your account will be disabled and you will have to fill out the paperwork again to have it reactivated.

If your password has *not* expired, you can either have it reset by calling the ONRR Help Desk **or** you can reset the password yourself on the Internet through Citrix.

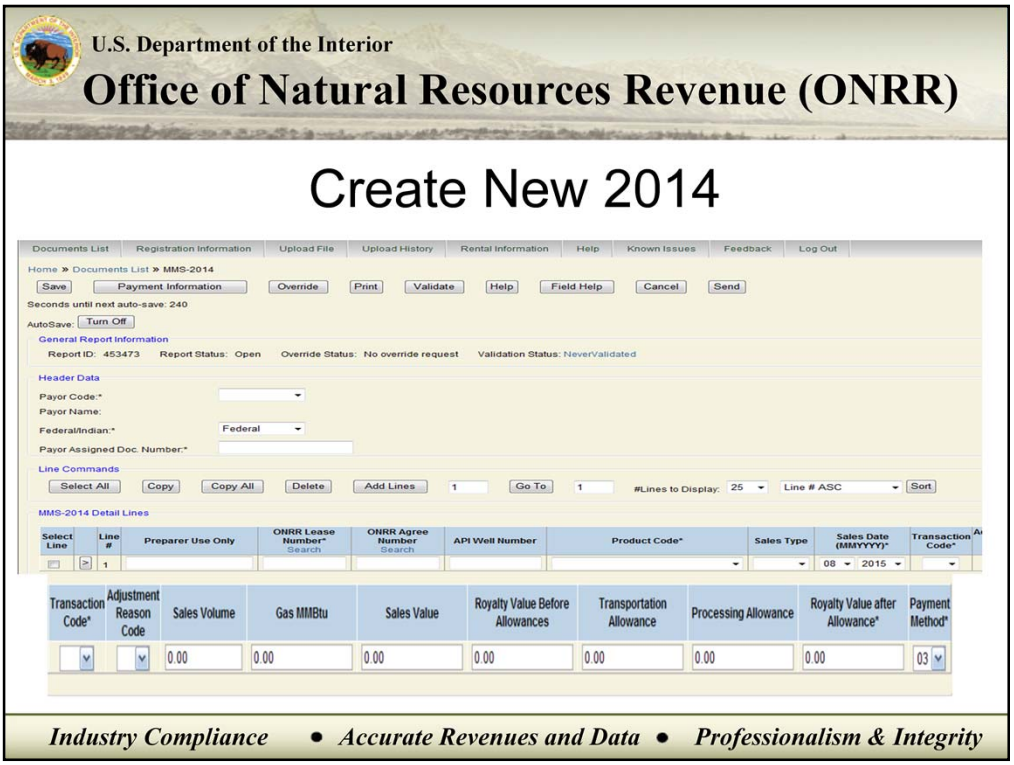
To have the ONRR Help Desk reset it for you, please call 303-231-3333 or 877-256-6260 (toll-free). The Help Desk cannot reset a password via e-mail.

To reset the password yourself, please see the next page.



Documents List shows all the reports for your company.

Filter options to narrow down searches – including new filters for User ID and Report ID



Create New 2014

Blank line – manually typing each line in

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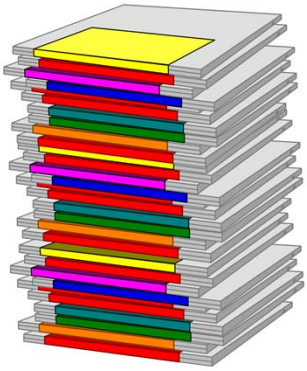
Importing Data Files



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Types of Imported Data

All outside data must be formatted in ONRR approved layouts

ASCII files can be created by using ext.TXT

CSV files can be created from Microsoft Excel

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Electronic Reporting Information – Form ONRR-2014 CSV Record Layout

Establish/Update Address and/or Addressee Contact Information — You must complete, sign and mail an original Form ONRR-4444 to establish your official mailing address and contact information with ONRR. Changes and updates can only be made via 4444—we cannot update contact information from phone calls, emails, or other correspondence.

- Form ONRR-4444 (PDF)
- Instructions to Payors and Operators for the Form ONRR-4444 (PDF)

Company Name Changes — Company name changes must be initiated by the company through BLM (for onshore Federal leases), BOEM in the Gulf (for offshore leases), or BIA (for Indian leases). ONRR and the company will be notified in writing that the name change is recognized and the effective date. For assistance with this process, please contact Reporting & Solid Minerals Services at ☐ 1-800-525-0309.

- Form ONRR-4444 (PDF)
- Instructions to Payors and Operators for the Form ONRR-4444 (PDF)

File Reports, and Research Prior Data

Log in to the ONRR Data Warehouse portal to access the eCommerce web site for electronic reporting, and to view your past Form ONRR-2014 reports.

Forms

Royalty Reporting

- Form ONRR-2014 (PDF) — Report of Sales & Royalty Remittance (expires 12/31/2015)
  - Form ONRR-2014 — ASCII Record Layout (PDF)
  - Form ONRR-2014 — CSV Record Layout (PDF)
    - Sample file (Excel)
  - Form ONRR-2014 — Complete List of Edits (PDF)
- Form ONRR-4425 (PDF) — Designation Form for Royalty Payment Responsibility (expires 1/31/2015)

Allowances

- Form ONRR-4109 (PDF) — Gas Processing Allowance (Instructions and Schedule forms included) (expires 9/30/2015)
- Form ONRR-4110 (PDF) — Oil Transportation Allowance Report (Instructions and Schedule forms included) (expires 9/30/2015)
- Form ONRR-4295 (PDF) — Gas Transportation Allowance Report (Instructions and Schedule forms included) (expires 9/30/2015)
- Form ONRR-4393 (PDF) — Request to Exceed Regulatory Allowance Limitation (expires 12/31/2013

GO TO

www.ONRR.gov > Reporting/Paying > Royalty Reporting

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www.ONRR.gov > Reporting/Paying > Royalty Reporting

Rules on creating both ASCII files and CSV files

Great example/sample of a CSV file

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Electronic Reporting Information – Form ONRR-2014

CSV Record Layout (cont.')

Instructions

http://onrr.gov/ReportPay/PDFDocs/CSV2014Rev.pdf

Form ONRR-2014 Reporting Instructions – CSV Format

Comma Separated Value (CSV) files are first created in an Excel spreadsheet then saved as a CSV file type. All data entry is done in the Excel spreadsheet. Once a CSV file is saved, you will have two files—one with an .xls extension, the other with a .csv extension. NEVER open or double-click the .csv file in Excel! Always make corrections in your original Excel file, then save it to a CSV file. If you need to view the CSV file, view it in a word processor such as WordPad. If you open the .csv file in Excel, you will lose ALL of the formatting from the Excel file. If you need assistance or sample files, please contact Ms. Mary Dietrick at 303-231-3318 (Toll Free 1-800-525-0309 ext 3318).

A. Format Requirements

All record fields must comply with the following requirements:

1. The file name must end with a .CSV extension.
2. Commas must separate all fields. Fields that are blank still require a comma to delimit their position. A comma is not required after the last field of a record.
3. Federal and Indian data must be submitted as separate documents.
4. Multiple documents can be present in a single file. Headers and Trailers separate the

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If having troubles with CSV formatting, read the CSV instructions

-Included is small excerpt

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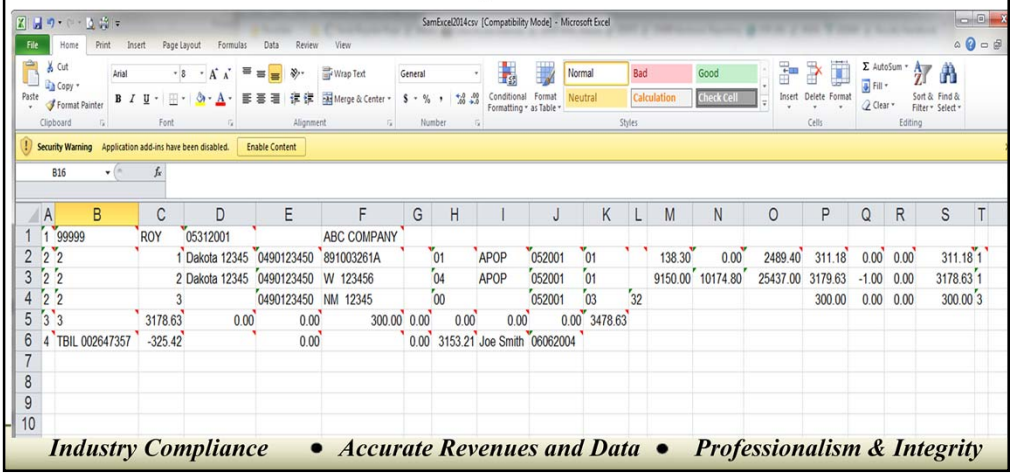
Electronic Reporting Information – Form ONRR-2014 CSV Record Layout (cont.')
Sample CSV File



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1	1	99999	ROY	05312001		ABC COMPANY														
2	2	2	1	Dakota 12345	0490123450	891003261A		01	APOP	052001	01		138.30	0.00	2489.40	311.18	0.00	0.00	311.18	1
3	2	2	2	Dakota 12345	0490123450	W 123456		04	APOP	052001	01		9150.00	10174.80	25437.00	3179.63	-1.00	0.00	3178.63	1
4	2	2	3		0490123450	NM 12345		00		052001	03	32				300.00	0.00	0.00	300.00	3
5	3	3	3178.63	0.00	0.00	300.00	0.00	0.00	0.00	0.00	3478.63									
6	4	TBIL 002647357	-325.42		0.00		0.00	3153.21	Joe Smith	06062004										
7																				
8																				
9																				
10																				

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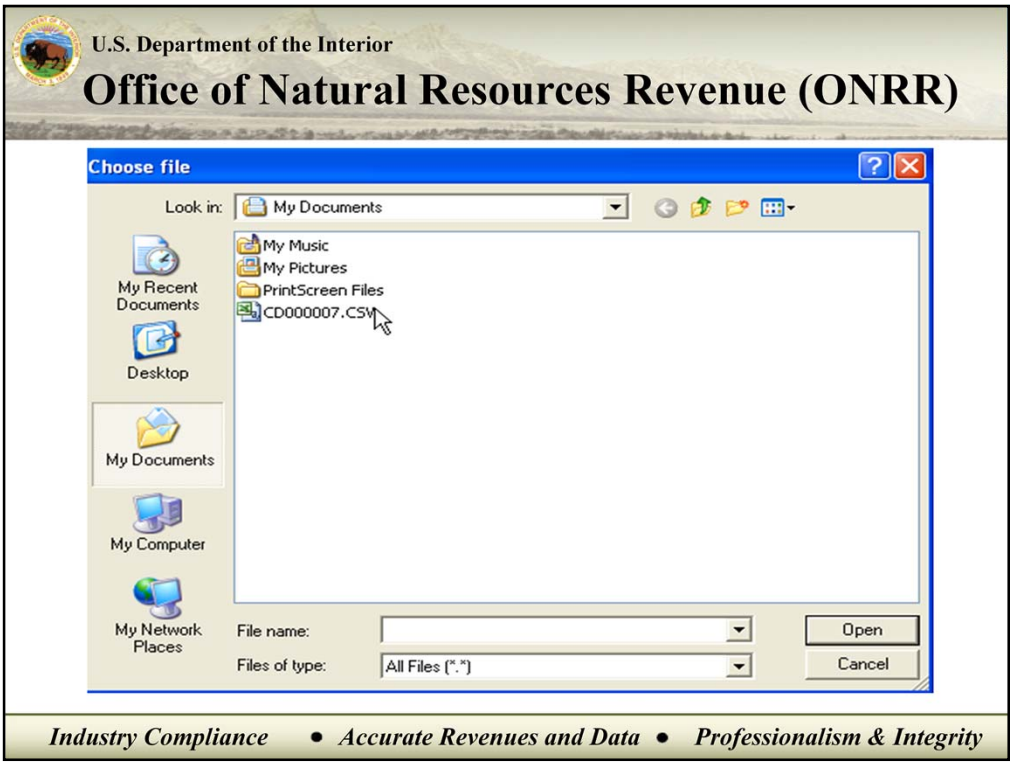
Sample is a .xls

Changes are made to the .xls, then saved as a .csv

TIPS:

- Save changes to the original Spreadsheet and then Save As a CSV when you are ready to upload (so you will have both the Spreadsheet and the CSV files). If you need to make changes, make changes to the original Spreadsheet and Save As a CSV again (save over your existing CSV). Do not make changes directly to the CSV.

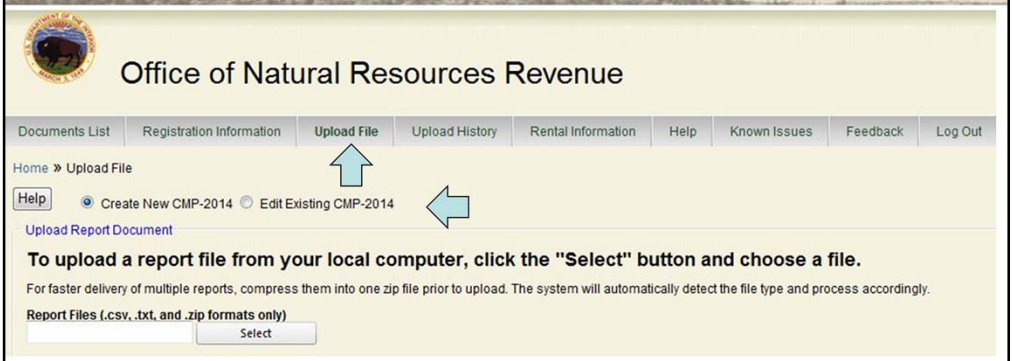
- Leading zeroes must be included. For example, the Sales Date must read 052001, not 52001.
- Decimals must be carried two digits out. For example, values must read 2489.40, not 2489.4.
- Remember to change the “ROY” in cell C1 to “CMP” for CMP-2014 files.
- The PAD number in cell D1 must be 8 characters or less, and should match the UFI the auditor provided.



After the finished document is saved as a .csv, be sure to upload that .csv file in eCommerce.

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)



Upload File now has 2 options.
Default is "Create New CMP-2014" – this is for any new document, despite the wording

New "Edit existing CMP-2014" option is if AMC/Audit sends a CMP-2014 and you want to upload a file to match that UFI or Issue/Order.

This file had an Error, and was not assigned a Report ID

Document Upload History

- Filename
  - Lists the file names of uploaded documents. Click on the file name link to review the contents of the file.
- Report Type
  - Lists the type of document(s) being uploaded.
- Original Filename
  - If zipping several files together, the original zip file name is listed.

Doc Upload History (cont.)

- Upload Status
  - Shows the status of the document(s) being uploaded. There are four increments.
    - Uploaded – Document is being loaded to the server
    - Pending – Document is uploaded, but hasn't started checking for errors
    - Processing – Document is going through the verification process
    - Completed – Document has been edited and no errors occurred during the import process
    - Error – Document has been edited and errors occurred during the import process. Click on the ERROR link to see error messages

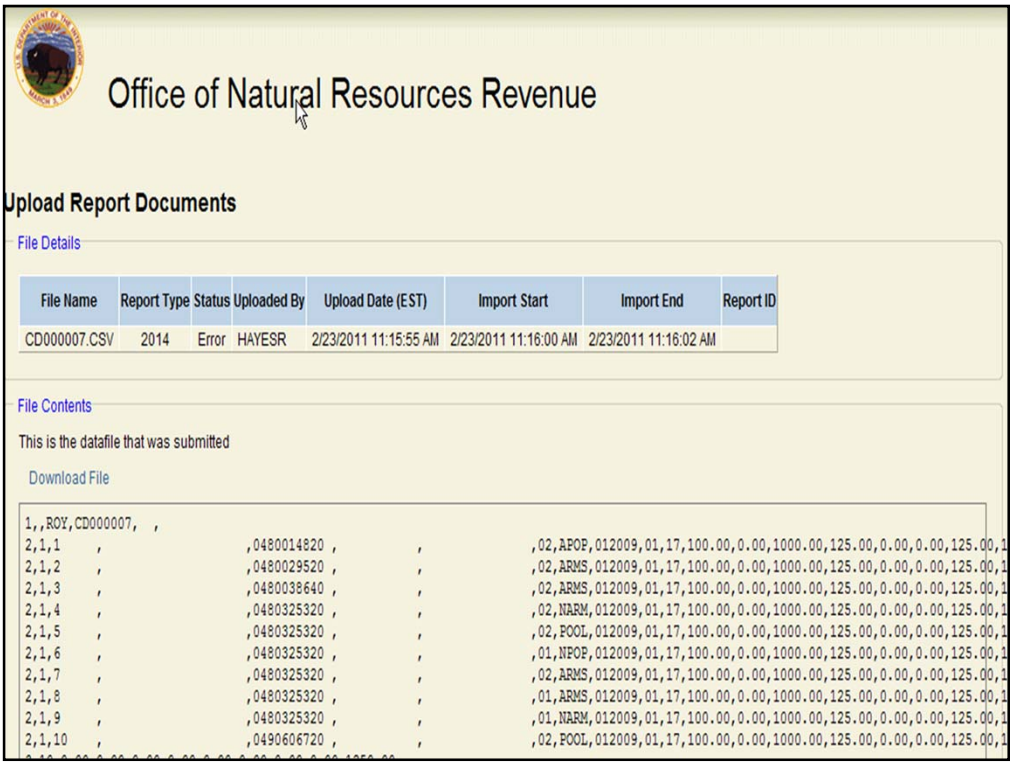
Doc Upload History (cont.)

- Upload Date
  - This is the date the file was uploaded. Files uploaded are retained for 10 days then removed from the History List.
- Report ID
  - The number given to each document when loaded to the Document List.

File Name	Report Type	Status	Uploaded By	Upload Date(EST)	File Size	Import Start
Report_2014_2831_17202no err.csv	2014	Completed	COLEMANA	2/25/2011 1:51:44 AM	1899122	2/25/2011 1:51:50 AM
Report_2014_2831.csv	2014	Completed	COLEMANA	2/25/2011 1:46:11 AM	90602	2/25/2011 1:46:19 AM
Report_2014_50000.csv	2014	Completed	LEESJA	2/25/2011 1:02:10 AM	5349510	2/25/2011 1:02:17 AM
Report_2014_2.csv	2014	Completed	LEESJA	2/25/2011 12:37:43 AM	364	2/25/2011 12:37:51 AM
Report_2014_3500.csv	2014	Completed	LEESJA	2/24/2011 7:11:57 PM	374543	2/24/2011 7:11:58 PM
Report_2014_3500.csv	2014	Completed	LEESJA	2/24/2011 7:10:22 PM	374543	2/24/2011 7:10:27 PM
Report_2014_4500.csv	2014	Completed	LEESJA	2/24/2011 7:10:07 PM	481543	2/24/2011 7:10:17 PM

Upload History shows a history for all uploaded files under the payor codes you have access to. So, you will see uploads by others that have access to the same payor codes.

Clicking the file will allow you to view what was uploaded.



Office of Natural Resources Revenue

Upload Report Documents

File Details

File Name	Report Type	Status	Uploaded By	Upload Date (EST)	Import Start	Import End	Report ID
CD000007.CSV	2014	Error	HAYESR	2/23/2011 11:15:55 AM	2/23/2011 11:16:00 AM	2/23/2011 11:16:02 AM	

File Contents

This is the datafile that was submitted

Download File

```
1,,ROY,CD000007,  ,
2,1,1    ,                  ,0480014820 ,          ,              ,02,APOP,012009,01,17,100.00,0.00,1000.00,125.00,0.00,0.00,125.00,1
2,1,2    ,                  ,0480029520 ,          ,              ,02,ARMS,012009,01,17,100.00,0.00,1000.00,125.00,0.00,0.00,125.00,1
2,1,3    ,                  ,0480038640 ,          ,              ,02,ARMS,012009,01,17,100.00,0.00,1000.00,125.00,0.00,0.00,125.00,1
2,1,4    ,                  ,0480325320 ,          ,              ,02,NARM,012009,01,17,100.00,0.00,1000.00,125.00,0.00,0.00,125.00,1
2,1,5    ,                  ,0480325320 ,          ,              ,02,POOL,012009,01,17,100.00,0.00,1000.00,125.00,0.00,0.00,125.00,1
2,1,6    ,                  ,0480325320 ,          ,              ,01,NPOP,012009,01,17,100.00,0.00,1000.00,125.00,0.00,0.00,125.00,1
2,1,7    ,                  ,0480325320 ,          ,              ,02,ARMS,012009,01,17,100.00,0.00,1000.00,125.00,0.00,0.00,125.00,1
2,1,8    ,                  ,0480325320 ,          ,              ,01,ARMS,012009,01,17,100.00,0.00,1000.00,125.00,0.00,0.00,125.00,1
2,1,9    ,                  ,0480325320 ,          ,              ,01,NARM,012009,01,17,100.00,0.00,1000.00,125.00,0.00,0.00,125.00,1
2,1,10   ,                  ,0490606720 ,          ,              ,02,POOL,012009,01,17,100.00,0.00,1000.00,125.00,0.00,0.00,125.00,1
```

Clicking the file name shows what was uploaded and gives an option to Download File.

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Office of Natural Resources Revenue (ONRR)

Why do I have to go through two checks for errors?

- **The Import process primarily catches any errors occurring due to improper formatting of imported fields.**
- **The Validation process identifies improper formatting when entering data directly on a new form, as well as compares the data based on transaction requirements.**

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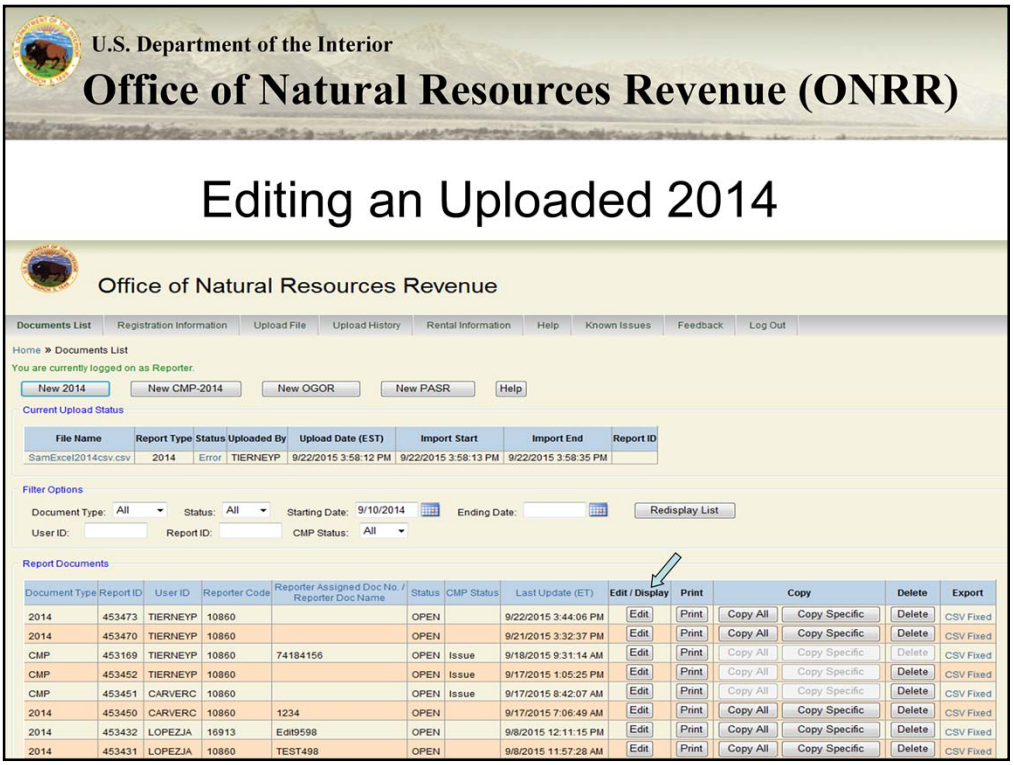
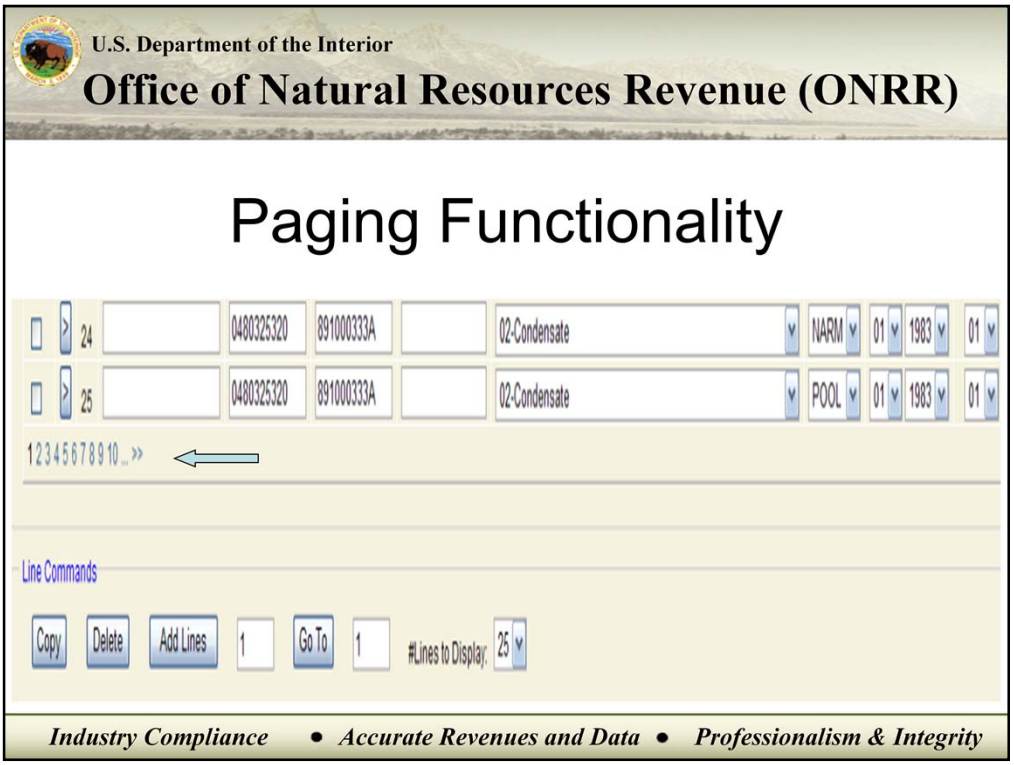
Uploading a file only checks the formatting requirements, which helps ensure

the correct data is transferred onto a 2014.

This is not the same as “Validating” the 2014, which is a 2nd check for actual errors with the reporting (not the formatting).



Click Edit to open/modify a 2014 already started or loaded



Paging functionality is similar to standard web browsing options:

Click directly on each page

Click on the "…" to view the next 10 pages

Click on the "**>>**" to view the last few pages only

You can also move directly to a specific line by typing in the line number to the right of "Go To" and then clicking "Go To".

Users can change how many lines are displayed per page, up to 100. Note this might cause the system to respond slower.

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Payment Information

Home » Documents List » MMS-2014 » MMS-2014 Payment

Save | Report | Print | Validate | Help | Field Help | Cancel | Send

Seconds until next auto-save: 225

General Report Information

Report ID: 2898 Report Status: Open Override Status: No override request

Report Control Block

Check to ONRR (PM1):	21,222,363.49	Indian Direct Pay (PM2):	0.00
EFT Payments (PM3):	0.00	Royalty-in-Kind (PM4):	0.00
Check to ONRR for BIA (PM5):	0.00	Other (PM6):	0.00
Indian Lockbox (PM7):	0.00		

Totals

Total All Payments:	21,222,363.49
Number of Detail Lines:	6

Credits

Less Available Credits: **The Sum of all amounts cannot exceed the sum of (Payment Methods) PM1, PM3, and PM5. Credit amounts cannot reduce or be applied to PM2, PM4, or PM7.**

Doc ID1:		Amount 1:	0.00
Doc ID2:		Amount 2:	0.00
Doc ID3:		Amount 3:	0.00

Net Payment For Report: 21,222,363.49

Calculate Total

Authorization

Authorized Payor: Hayes, Rosalind

Date (MM/DD/YYYY):* 1/24/2001

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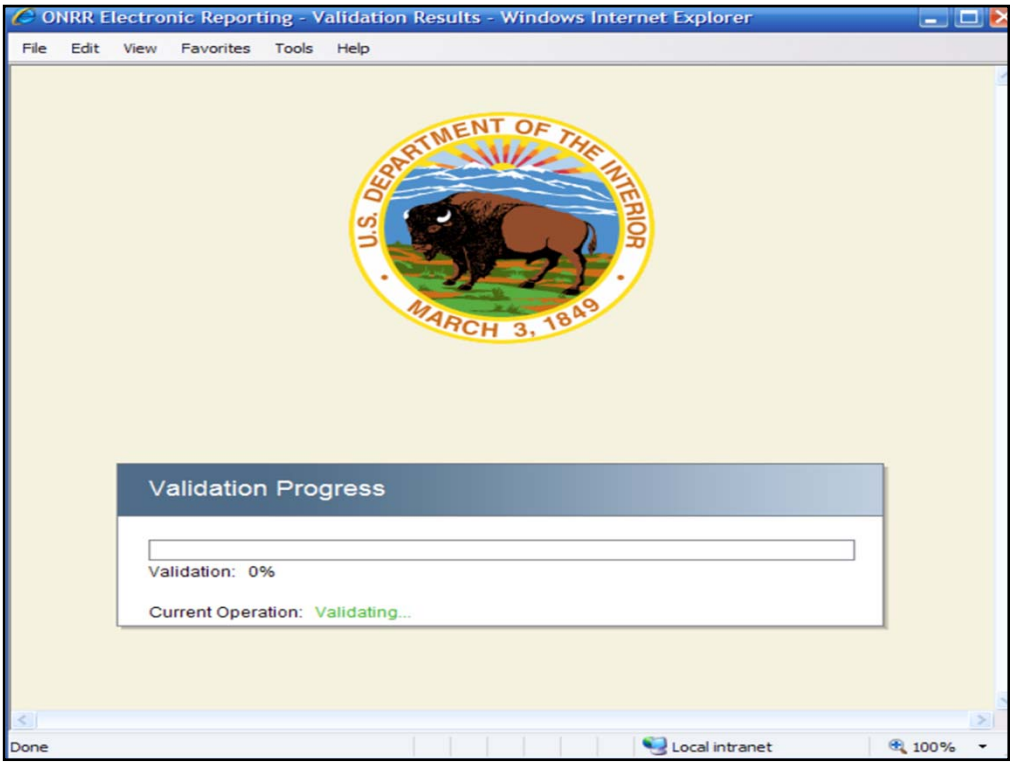
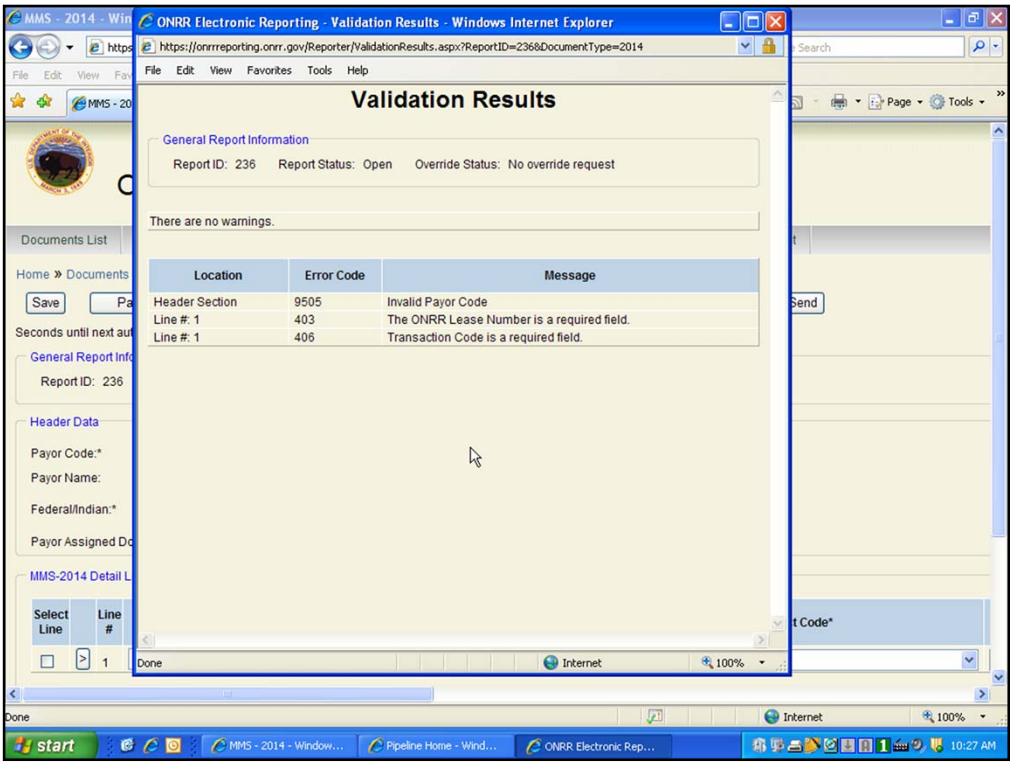
Before sending the 2014, always check the Payment Information. Make sure the total here matches what you expect it to, and that each payment type matches what you expect it to (in case a PM was mis-typed).

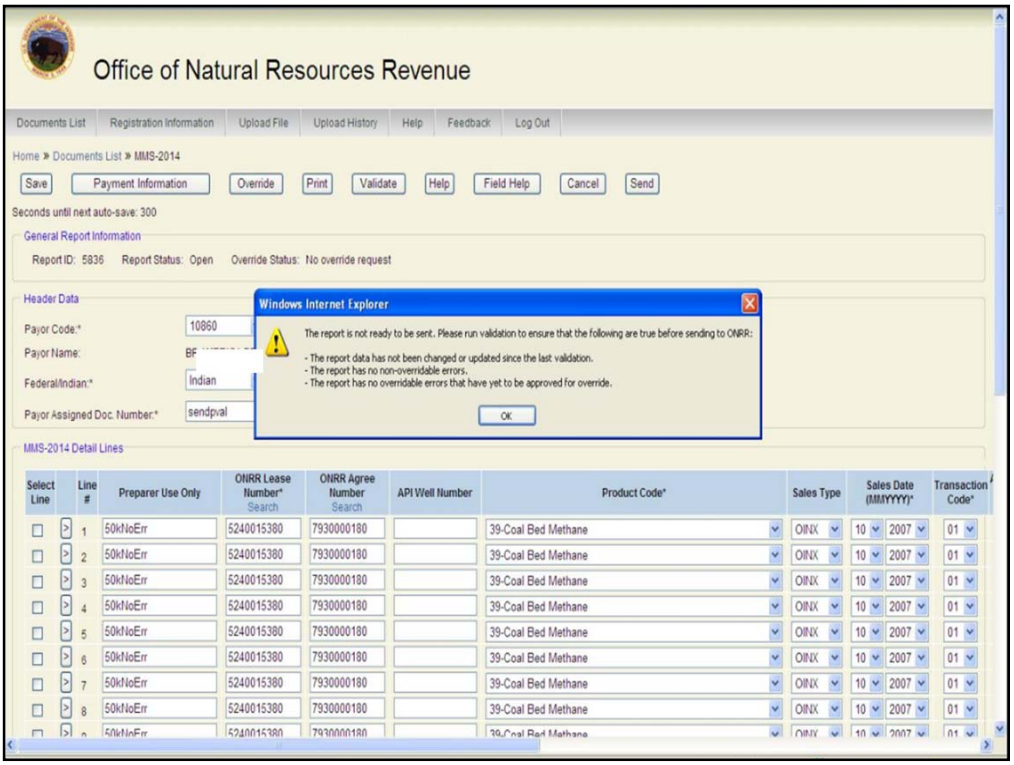


Clicking Validation, allow time for it to process (especially for larger reports)

- Be sure your pop-up blocker is off, otherwise nothing will happen
- This Validation window sometimes “falls behind” eCommerce. If you do not see it, try minimizing the eCommerce window.



Example of Validation – Errors found



The report can't be Sent until the Errors are corrected or an Override is done.

Lease Associated Errors

- If you are getting errors you have never seen before take a look at the lease number. Lease number is a fatal error.
- Double check your lease number. If your lease number is incorrect then other errors might appear:
  - Sales MO/YR must be after the lease anniversary date
  - Sales MO/YR must be prior to the lease termination date or relinquished date
- Don't panic, if you can't figure out what is wrong with the lease number call ONRR Reporting Services. We can help you.

HOW TO REQUEST OVERRIDE

- **Call your Reporting Services Representative.**
- Once they agree an override needs to be done.
- Fill in the justification and telephone number.
- Click on submit.
- Fax or email all of your backup for the override to the Reporting Services Representative.
- Wait for a response from ONRR.

U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Override

Home » Documents List » MMS-2014 » Override

MMS 2014 Overridable Errors

Report | Submit | Save | Print | Help

General Report Information

Report ID: 2898 Report Status: Open Override Status: No override request

Override Request

In the Justification box, type a detailed reason for your override request. If you have additional information pertaining to your request, please attach to a separate email and send to:

jason.lees@onrr.gov;shirley.kagiyama-manley@onrr.gov;alexandra.coleman@onrr.gov

Justification: *

Requester Name: Hayes, Rosalind

Requester Telephone: *

MMS-2014 Detail Lines

Line #	Preparer Use Only	ONRR Lease Number*	ONRR Agree Number	API Well Number	Product Code*	Sales Type	Sales Date (MMYYYY)*	Transaction Code*	Adjustment Reason Code	Sales Volume	Gas MMBtu	Sales Value	Royalty Value Before Allowances	Transportation Allowance	Processing Allowance	Royalty Value after Allowance*	Payment Method*
19		0620399000	891000333D		01-Oil	ARMS	011980	01	17	372.26	0	5418.80	0	0	0	677.35	01
Line #: 19 - Reported RVLA must equal the RVPA minus allowances																	
20		0620399000	891000333D		01-Oil	ARMS	011980	01	17	305.91	0	3409.23	0	0	0	426.15	01
Line #: 20 - Reported RVLA must equal the RVPA minus allowances																	
39		0620399000	891000333D		01-Oil	ARMS	011980	01	17	372.26	0	5418.80	0	0	0	677.35	01
Line #: 39 - Reported RVLA must equal the RVPA minus allowances																	
40		0620399000	891000333D		01-Oil	ARMS	011980	01	17	305.91	0	3409.23	0	0	0	426.15	01
Line #: 40 - Reported RVLA must equal the RVPA minus allowances																	
59		0620399000	891000333D		01-Oil	ARMS	011980	01	17	372.26	0	5418.80	0	0	0	677.35	01
Line #: 59 - Reported RVLA must equal the RVPA minus allowances																	
60		0620399000	891000333D		01-Oil	ARMS	011980	01	17	305.91	0	3409.23	0	0	0	426.15	01

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This is the Override page.

Type in a clear justification – why the report is being submitted, why the lines are rejecting, and who you spoke with at ONRR. Be sure to include a valid phone number as well.

Please note only the rejecting lines are visible, and these are the only lines visible to ONRR when the Override request is being reviewed.

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ONRR CALLED YOU REGARDING YOUR OVERRIDE

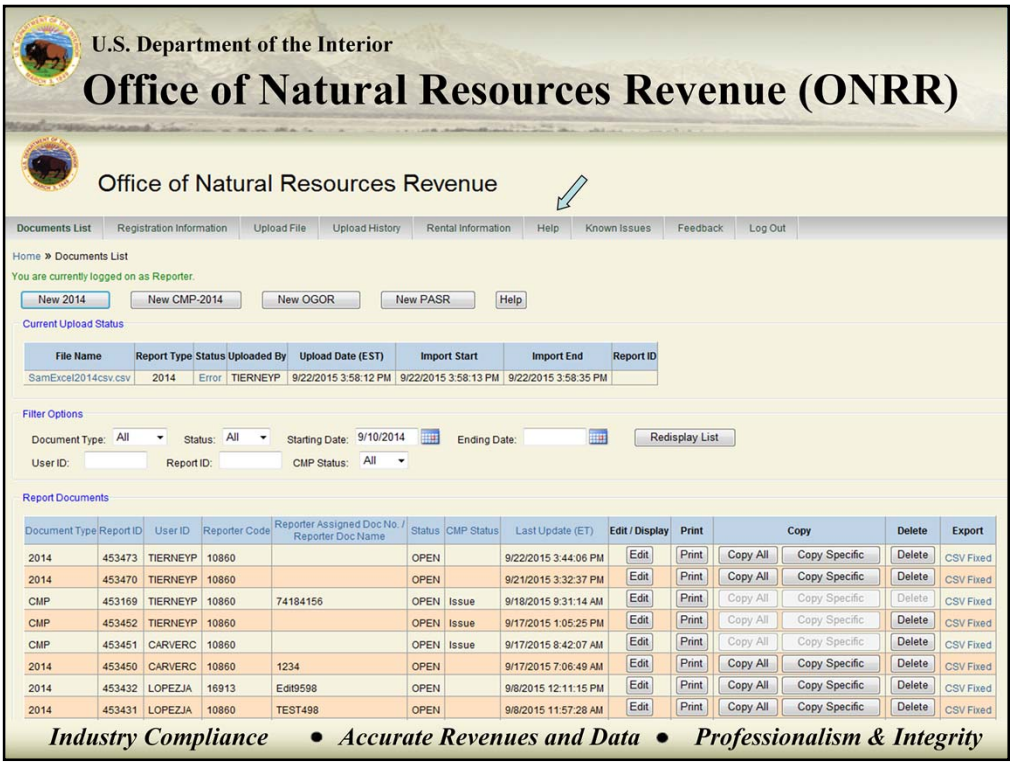
- Once you get the call or e-mail stating that the error(s) have been overridden, go back into your report.
- Click on the Override Button.
- Print the approval if you want documentation.
- Click on the Report Tab.
- Now you can send your report.

DO NOT USE THE UNLOCK BUTTON, unless you **really** did not want to override the errors!

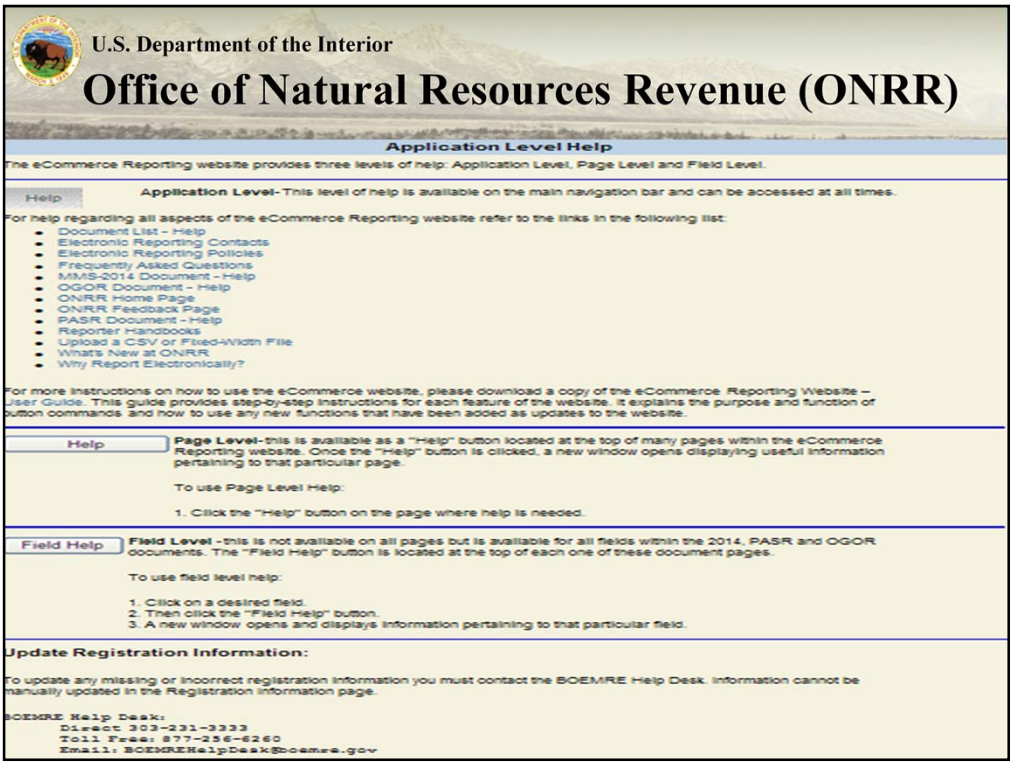
Send

- Ready to send.
- If you still have errors, the system will tell you.
- If not, the document will be sent.
- SENT status means your document has been received by ONRR and will be loaded into our tables.
- Documents are picked up by ONRR as soon as you hit send. Documents are not processed until after 6:00 p.m., but will retain today's date.
- The system is not available Saturday and Sunday.

RECONCILED is not a feature on the eCommerce website.



The Help option provides information about each page and section of eCommerce.



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Application Level Help

The eCommerce Reporting website provides three levels of help: Application Level, Page Level and Field Level.

Help

Application Level- This level of help is available on the main navigation bar and can be accessed at all times.

For help regarding all aspects of the eCommerce Reporting website refer to the links in the following list:

- Document List - Help
- Electronic Reporting Contacts
- Electronic Reporting Policies
- Frequently Asked Questions
- MMS-2014 Document - Help
- OGOR Document - Help
- ONRR Home Page
- ONRR Feedback Page
- PASR Document - Help
- Reporter Handbooks
- Upload a CSV or Fixed-Width File
- What's New at ONRR
- Why Report Electronically?

For more instructions on how to use the eCommerce website, please download a copy of the eCommerce Reporting Website – User Guide. This guide provides step-by-step instructions for each feature of the website. It explains the purpose and function of button commands and how to use any new functions that have been added as updates to the website.

Help

Page Level- this is available as a "Help" button located at the top of many pages within the eCommerce Reporting website. Once the "Help" button is clicked, a new window opens displaying useful information pertaining to that particular page.

To use Page Level Help:

1. Click the "Help" button on the page where help is needed.

Field Help

Field Level - this is not available on all pages but is available for all fields within the 2014, PASR and OGOR documents. The "Field Help" button is located at the top of each one of these document pages.

To use field level help:

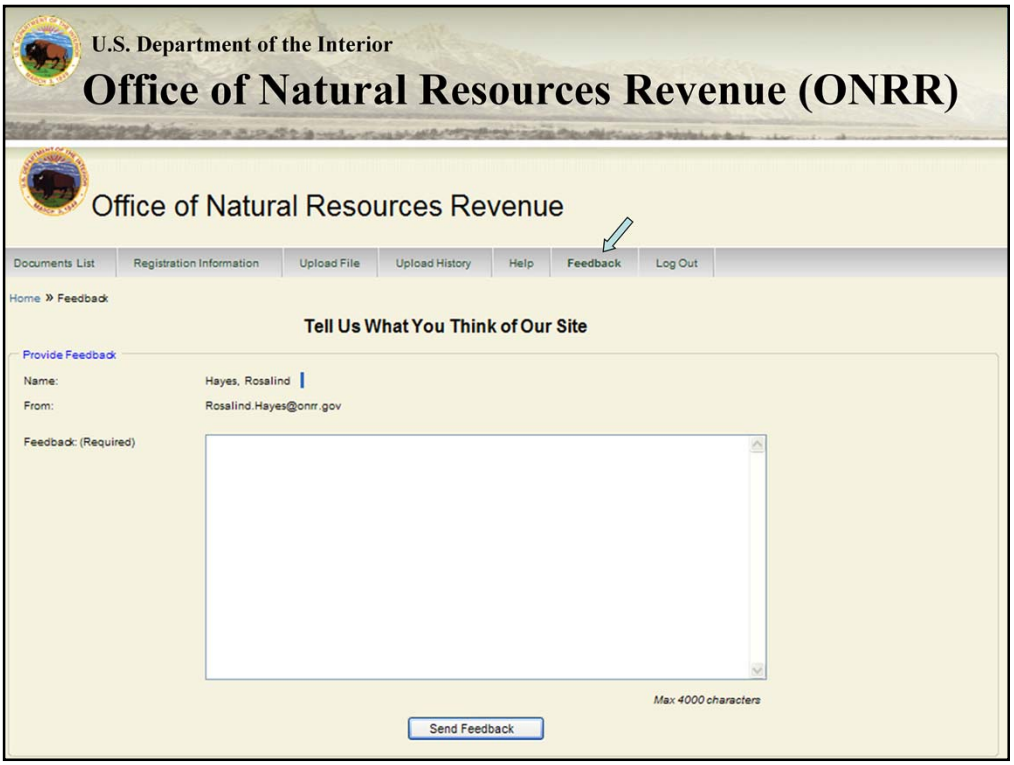
1. Click on a desired field.
2. Then click the "Field Help" button.
3. A new window opens and displays information pertaining to that particular field.

Update Registration Information:

To update any missing or incorrect registration information you must contact the BOEMRE Help Desk. Information cannot be manually updated in the Registration information page.

BOEMRE Help Desk:
Direct 303-231-3333
Toll Free: 877-256-6260
Email: BOEMREHelpDesk@boemre.gov

Clicking Help gives useful information about different pages in eCommerce. There is a useful FAQ and links to our contact lists here.



Feedback allows you to send notes about eCommerce; overall problems, suggestions for improvement, etc.

Do not use Feedback if you are having problems with a specific report (Errors, Overrides, etc.). This is for feedback only, and is often not addressed as promptly as when you contact the appropriate person for that problem.

Formulas for Allowances

For the 99% edit:

It takes the sum of the RVPA x 99% then compares it to the sum of the Transportation + Processing.

RVPA x .99 = Sum of Allowances

e.g. 1341.01 x .99 = 1327.5999

The 99% equals 1327.59 on the report.

There is no rounding!

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Implied Relationships

$$\frac{\text{Royalty Value PA}}{\text{Sales Value}} = \text{Royalty Rate} \quad \frac{2747.00}{21975.00} = .125$$

Monitored for royalty rate verification

$$\frac{\text{Sales Value}}{\text{Sales Volume}} = \text{Price Per Unit} \quad \frac{21975.00}{439.5} = \$50.00$$

Monitored for reasonable pricing

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Transaction code 01 compares volumes and values to determine if your royalty rate and pricing are within established guidelines.

We verify your royalty rate.

- You can verify the royalty rate you reported by taking your royalty value divided by your sales value equals your royalty rate.
- Report a separate line for each different royalty rate. However, when reporting on a lease with a sliding-scale royalty rate and multiple royalty rates are required because of varying qualities, the different rates can be rolled up and reported on one line.
- Many leases are 12 1/2 percent; however, the rates can vary. Check your lease terms to ensure you report the correct royalty rate. Remember to use your royalty rate and not your division order percent. Royalty rate is a component of the DOP.

TRAINER INFORMATION: Royalty rate is a fatal error for Indian oil and gas, and a warning error for all Federal leases; however, MMS does have downstream edits (Compliance).

We monitor for reasonable pricing.

- You can check the pricing you reported by taking the sales value divided by the sales volume equals your price. We will take a more in-depth look at pricing during the Compliance training.

TRAINER INFORMATION: Pricing is a fatal error for Indian/ Federal oil leases, and a warning error for Indian/Federal gas leases; however, MMS does have downstream edits (Compliance).

Informative Web Locations

- http://onrr.gov/ReportPay/PDFDocs/2014CLEdits.pdf - Has a listing of all the Edits for the 2014.

*We are in the process of updating the list with our system Edits.

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CONFIRMATION REPORTS

- **Available once all rejected lines are corrected**
- **Report will display line as reported by payor and as corrected by ONRR**
- **Companies should use information to make corrections to their history and update any formatting issues for future reporting**
- **Confirmation reports will be posted in the company folders in the Data Warehouse which is accessed through the internet at https://dwportal.onrr.gov/workspace/index.jsp**
- **ONRR employees can view rejected lines in the Data Warehouse under Financial Reports, Royalty, ZR2014ER. Input Document ID and click Run**

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The confirmation report is used to verify corrections made to your report by ONRR.

- This report will show your line as originally reported **AND** how it was corrected by ONRR.
- It will be helpful to use this report to make correct adjustments.
- ONRR used to mail these reports in the past, now you can now access your payor confirmation reports through your payor folder in the Data Warehouse at https://dwportal.onrr.gov/workspace/index.jsp

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