



eCommerce Reporting Website

**Electronic Reporting, Edits,
Override, and Uploading**



Office of Natural Resources Revenue

What We Will Be Reviewing

- eCommerce Website content
 - Uploads
 - CSV files
-

How do I start reporting electronically?

Need a Payor ID or Operator ID, please contact:

- Gus Phelps for Payor ID at Gus.Phelps@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>
-

Three Ways to login to the eCommerce Website

1. Type in the url: <http://onrrreporting.onrr.gov>
 2. Data Warehouse Portal:
<https://dwportal.onrr.gov/workspace/index.jsp>
 3. ONRR Website: Favorites (Left hand side)
-



ONRR
ABOUT US

VALUATION
PRICING & GUIDANCE

REPORTING/PAYING
RESOURCES

COMPLIANCE
ENFORCEMENT & APPEALS

INDIAN SERVICES
ALLOTTEES & TRIBES

ONRR Mission:

“To collect, disburse, and verify Federal and Indian energy and other natural resource revenues on behalf of all Americans.”



ONRR Fiscal Year 2013 Total Disbursements \$14,224,375,454



ONRR Manages Mineral Revenues

The ONRR is responsible for management of all revenues associated with both federal offshore and onshore mineral leases. The effort is one of the federal government's greatest sources of non-tax revenues.

★ Favorites

USEITI

U.S. Extractive Industries Transparency Initiative

Statistics

Statistical Information

Reporting/Paying

- Data Warehouse Portal
- eCommerce Portal
- Forms
- Handbooks
- Late Payment Interest
- Reporter Training

About Us

- Contact Us
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- Employment Opportunities
- Overview

Indian Services

- Allottee Assistance
- Federal Indian Minerals Office (FIMO)

Valuation

- Indian Index Zone Prices
- Indian Major Portion Prices

Press Releases, News, & Current Events

Press Releases | FR Notices | Reporter Letters | Events | Tweets



Latest ONRR Press Releases

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Interior Announces Improved Valuation Method for Oil Produced on American Indian Lands - Comment Sought on Rule that Would Boost Royalties to Indian Country by \$20 Million a Year

WASHINGTON, D.C. — Following President Obama's historic visit to Indian Country last week where he underscored his commitment to work with tribal leaders to build strong, resilient economies, Secretary of the Interior Sally Jewell announced today that the De[...]

- Published June 18, 2014

ONRR Issues \$533,520 Civil Penalty to CEP M Purchase - Company cited for failure to report production

Denver — The Department of the Interior's Office of Natural Resources Revenue (ONRR) announced today that it assessed a \$533,520 civil penalty to CEP M Purchase, LLC, (CEP) for failure to report production on federal leases.

- Published June 12, 2014

Grand Teton Mountains :- Wyoming

The Office of Natural Resources Revenue is responsible for management of all revenues associated with both federal offshore and onshore mineral leases. The effort is one of the federal government's greatest sources of non-tax revenues.

****WARNING TO USERS OF THIS SYSTEM****

END USER AGREEMENT: This computer system, including all related equipment, networks, and network devices (including Internet access), is provided by the agency for authorized use only in accordance with the User policies at the below links. All agency computer systems may be monitored for all lawful purposes, including but not limited to, ensuring that their use is authorized, for management of the system, to facilitate protection against unauthorized access, and to verify security procedures, survivability, and operational security. Any information on this computer system may be examined, recorded, copied and used for authorized purposes at any time. All information, including personal information, placed or sent over this system may be monitored. Therefore, there should be no expectation of privacy with respect to your use of this system.

By logging into this agency computer system, you acknowledge and consent to the monitoring of this system. Evidence of your use, authorized or unauthorized, collected during monitoring may be used for civil, criminal, administrative or other adverse action. Unauthorized or illegal use may subject you to criminal prosecution.

I have read, understood, and will comply with the detailed [ONRR Acceptable Use Policy](#) (for users external to ONRR) or [Rules of Behavior](#) (for users internal to ONRR).

YES(proceed)

NO(log off)

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[e-Statement of Accounts](#) | [Lease Account Balance](#) | [EMARF Forms](#) | [Financial Reports & History Reports](#)

Last updated 21 December 2011



Office of Natural Resources Revenue



Kenai River :- Alaska

Using sophisticated, computerized accounting systems, the Office of Natural Resources Revenue processes nearly \$1 billion (mostly via electronic funds transfers) each month.

[What's new in Office of Natural Resources Revenue?](#)

[Why Report Electronically?](#)

[Getting Started with ONRR Reporting](#)

[Handbook and Manuals](#)

[Using ONRR Forms](#)

[Electronic Reporting Contacts](#)

[Electronic Reporting Policies](#)

[ONRR Homepage](#)

[Frequently Asked Questions](#)

User ID:

Password:

For assistance, please call the help desk at 1 -877-256-6260.
Or send an email to boemrehelpdesk@boemre.gov

Warning!

By logging on to this site, you accept and agree to abide by the [Rules of Behavior](#).

Before you download Department of the Interior, (DOI), data to a computer or any other device capable of storing electronic data you must comply with DOI standards for data encryption and system security. You must also understand and agree to comply with DOI requirements for deleting the data. Contact your IT Security Manager for specifications regarding these standards and requirements. Failure to comply may result in criminal, civil and/or disciplinary action. By logging into this agency computer system, you acknowledge and consent to the monitoring of this system. Evidence of your use, authorized or unauthorized, collected during monitoring may be used for civil, criminal, administrative or other adverse action. Unauthorized or illegal use may subject you to criminal prosecution.

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Office of Natural Resources Revenue

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Home » Documents List

You are currently logged on as Administrator and Internal User.

- New 2014
- New OGOR
- New PASR
- Help

Filter Options

Document Type: All Status: All Starting Date: 2/7/2014 Ending Date: [Calendar Icon] Redisplay List

User ID: [Text Box] Report ID: [Text Box]

Report Documents

Document Type	Report ID	User ID	Reporter Code	Reporter Assigned Doc No. / Reporter Doc Name	Status	Last Update (ET)	Edit / Display	Print	Copy	Delete	Export
2014	450433	DAVISC	90210	7	OPEN	10/8/2014 12:19:40 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
OGOR	450017	MILLERLI	77310	SWEEP902_1COPY	OPEN	10/7/2014 12:32:34 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	450388	DAVISC	90210	1	OPEN	10/6/2014 9:29:46 AM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	450316	DAVISC	90210	OVRDE3	OPEN	10/1/2014 12:46:46 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	450346	DAVISC	10860	NWSCH210	SENT	10/1/2014 11:49:11 AM	Display	Print	Copy All Copy Specific		CSV Fixed
OGOR	450332	MILLERLI	13525	admin overwrite	OPEN	9/30/2014 3:06:06 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
OGOR	450267	MILLERLI	77310	inactive 2	OPEN	9/30/2014 3:01:01 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	450329	DAVISC	48642	05312001	SENT	9/30/2014 2:28:16 PM	Display	Print	Copy All Copy Specific		CSV Fixed
2014	450311	DAVISC	90210	OVERDE2	OPEN	9/30/2014 9:14:30 AM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
OGOR	450308	AINSWORM	88888	test 3833 Melissa	OPEN	9/30/2014 8:46:36 AM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	450310	AINSWORM	R1569	3822	OPEN	9/30/2014 8:45:17 AM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
PASR	450200	BOACH	77310	SIP 2825	OPEN	9/30/2014 8:42:30 AM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed

Create New 2014

Documents List | Registration Information | Upload File | Upload History | Help | Administration | Log Out

Home » Documents List » MMS-2014

Seconds until next auto-save: 240

AutoSave:

General Report Information

Report ID: 450452 Report Status: Open Override Status: No override request Validation Status: NeverValidated Source: Internal Paper

Header Data

Payor Code:*

Payor Name:

Federal/Indian:*

Payor Assigned Doc. Number:*

Line Commands

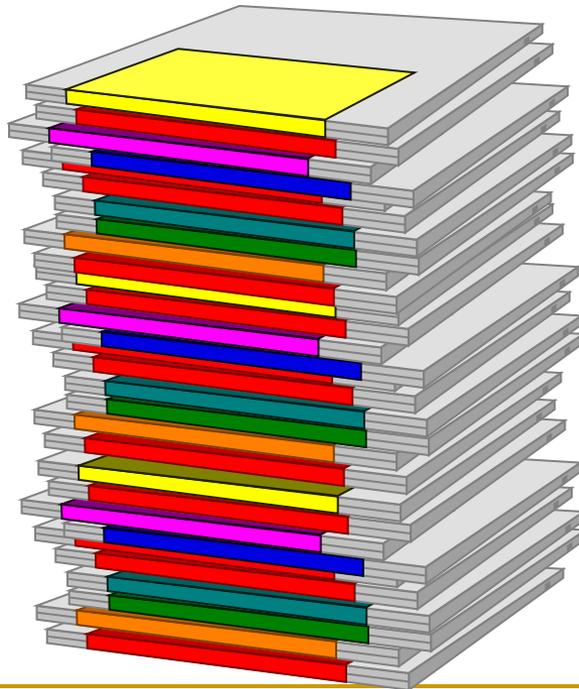
#Lines to Display:

MMS-2014 Detail Lines

Select Line	Line #	Preparer Use Only	ONRR Lease Number* Search	ONRR Agree Number Search	API Well Number	Product Code*	Sales Type	Sales Date (MMYYYY)*	Transaction Code*
<input type="checkbox"/>	>	1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	09 2014	<input type="text"/>

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*
<input type="text"/>	<input type="text"/>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	03 <input type="text"/>

Importing Data Files



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

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

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

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)

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

Choose file



Look in:

My Documents



My Recent Documents



Desktop



My Documents



My Computer



My Network Places

- My Music
- My Pictures
- PrintScreen Files
- CD000007.CSV



File name:

Files of type:

All Files (*.*)

Open

Cancel



Office of Natural Resources Revenue

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Help

Create New CMP-2014 Edit Existing CMP-2014

Upload Report Document

To upload a report file from your local computer, click the "Select" button and choose a file.

For faster delivery of multiple reports, compress them into one zip file prior to upload. The system will automatically detect the file type and process accordingly.

Report Files (.csv, .txt, and .zip formats only)

Select

Upload File will now have 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.



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Current Upload Status

File Name	Report Type	Status	Uploaded By	Upload Date (EST)	Import Start	Import End	Report ID
CD000007.CSV	2014	Error	HAYESR	2/23/2011 11:09:18 AM	2/23/2011 11:09:19 AM	2/23/2011 11:09:42 AM	



Filter Options

Document Type: |
 Status: |
 Starting Date: |
 Ending Date: |
 [Redisplay List](#)

Report Documents

Document Type	Report ID	User ID	Reporter Code	Reporter Assigned Doc No. / Reporter Doc Name	Status	Last Update (ET)	Edit / Display	Print	Copy	Delete	Export
2014	641	CIFERRIK	06605	9621	OPEN	2/23/2011 11:12:06 AM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	2632	CIFERRIK	06605		OPEN	2/23/2011 11:09:11 AM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	384	ROPERR	10860	TESTTCS	OPEN	2/22/2011 3:38:46 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	2594	HAYESR	10860	test	OPEN	2/22/2011 2:37:49 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	2587	MARTINDA	00571	testtest	OPEN	2/21/2011 6:46:04 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	2586	MARTINDA	00571	testtest	OPEN	2/21/2011 6:42:20 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	313	LAMBERTB	23380	mytest	OPEN	2/21/2011 4:54:07 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	2571	MANLEYS	00571	xx	OPEN	2/21/2011 10:51:53 AM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	2566	ERNESTA	35189	twtwt	OPEN	2/20/2011 2:43:51 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	2565	ERNESTA	28736	test	OPEN	2/20/2011 2:32:12 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	2564	ERNESTA	28736	tests	OPEN	2/20/2011 2:16:08 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	2563	ERNESTA	58090		OPEN	2/20/2011 2:15:04 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	2562	ERNESTA	10860	tssets	OPEN	2/20/2011 2:14:30 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	2556	ERNESTA	00571	xxx	OPEN	2/20/2011 2:14:10 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed
2014	2560	ERNESTA	50210	test	OPEN	2/20/2011 2:09:10 PM	Edit	Print	Copy All Copy Specific	Delete	CSV Fixed

1 2 3 4 5 6 7 8 9 10 ...

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.
 - In progress – Document is being loaded to the server
 - Importing – Document is going through the edit 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.
-



Office of Natural Resources Revenue

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Status Legend

Uploaded: The file has successfully loaded onto the servers.

Pending: The file is waiting for format validation processing.

Processing: The file is being validated for format requirements.

Completed: The file successfully passed format validation and a report has been created. The new report can be viewed in the Documents List.

Error: The file has failed format validation. Click on the status to view format errors.

Upload History

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
Report_2014_7500.csv	2014	Completed	LEESJA	2/24/2011 7:09:59 PM	802543	2/24/2011 7:10:06 PM
Report_2014_30000.csv	2014	Completed	LEESJA	2/24/2011 7:09:42 PM	3209722	2/24/2011 7:09:45 PM
CD000007.CSV	2014	Error	HAYESR	2/24/2011 3:28:29 PM	1638	2/24/2011 3:28:35 PM



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
3,10,0.00,0.00,0.00,0.00,0.00,0.00,0.00,0.00,1250.00
4, , ,0.00, , ,0.00, , ,0.00,1250.00,MARY DIETRICK ,12142010
```



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.
-

Editing 2014



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Filter Options

Document Type: Status: Starting Date: Ending Date: [Redisplay List](#)

Report Documents

Document Type	Report ID	User ID	Reporter Code	Reporter Assigned Doc No. / Reporter Doc Name	Status	Last Update (ET)	Edit / Display	Print	Copy		Delete	Export
2014	2660	LEESJA	10860	50kNoErr	OPEN	2/23/2011 3:24:10 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2657	LEESJA	10860	50kNoErr	OPEN	2/23/2011 3:15:41 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2659	LEESJA	10860	50kNoErr	OPEN	2/23/2011 3:14:06 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2658	LEESJA	10860	50kNoErr	OPEN	2/23/2011 3:14:06 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2655	COLEMANA	10860	5000noer	OPEN	2/23/2011 2:13:26 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2648	LEESJA	10860	5000In	OPEN	2/23/2011 1:52:17 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2649	LEESJA	10860	5000In	OPEN	2/23/2011 1:51:44 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2650	LEESJA	10860	5000In	OPEN	2/23/2011 1:51:16 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed

Home » Documents List » MMS-2014

Save | Payment Information | Override | Print | Validate | Help | Field Help | Cancel | Send

Seconds until next auto-save: 285

General Report Information

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

Header Data

Payor Code:* 99999
 Payor Name: Control Customer
 Federal/Indian:* Federal
 Payor Assigned Doc. Number:* 1000line

MMS-2014 Detail Lines

Select Line	Line #	Preparer Use Only	ONRR Lease Number* Search	ONRR Agree Number Search	API Well Number	Product Code*	Sales Type	Sales Date (MMYYYY)*		Transaction Code*
<input type="checkbox"/>	>	1		0480014820	891000333A	02-Condensate	APOP	01	1983	01
<input type="checkbox"/>	>	2		0480029520	891000333A	02-Condensate	ARMS	01	1983	01
<input type="checkbox"/>	>	3		0480038640	891000333A	02-Condensate	ARMS	01	1983	01
<input type="checkbox"/>	>	4		0480325320	891000333A	02-Condensate	NARM	01	1983	01
<input type="checkbox"/>	>	5		0480325320	891000333A	02-Condensate	POOL	01	1983	01
<input type="checkbox"/>	>	6		0480325320	891000333A	01-Oil	NPOP	01	1983	01
<input type="checkbox"/>	>	7		0480325320	891000333A	02-Condensate	ARMS	01	1983	01
<input type="checkbox"/>	>	8		0480325320	891000333A	01-Oil	ARMS	01	1983	01
<input type="checkbox"/>	>	9		0480325320	891000333A	01-Oil	NARM	01	1983	01

Adjustment Reason Code	Sales Volume	Gas MMBtu	Sales Value	Royalty Value Before Allowances	Transportation Allowance	Processing Allowance	Royalty Value after Allowance*	Payment Method*
17	2.04	0.00	30.42	3.80	0.00	0.00	3.80	01
17	2.04	0.00	30.42	3.80	0.00	0.00	3.80	01
17	2.45	0.00	36.42	4.55	0.00	0.00	4.55	01
17	59.70	0.00	888.12	111.02	0.00	0.00	111.02	01
17	705.92	0.00	7,867.17	983.40	0.00	0.00	983.40	01
17	249.48	0.00	3,631.56	453.95	0.00	0.00	453.95	01
17	9.85	0.00	146.58	18.02	0.00	0.00	18.02	01
17	1,633.35	0.00	18,202.92	2,275.37	0.00	0.00	2,275.37	01
17	958.90	0.00	13,958.29	1,744.79	0.00	0.00	1,744.79	01

Paging Functionality

<input type="checkbox"/>	>	24		0480325320	891000333A		02-Condensate	▼	NARM	▼	01	▼	1983	▼	01	▼
<input type="checkbox"/>	>	25		0480325320	891000333A		02-Condensate	▼	POOL	▼	01	▼	1983	▼	01	▼

1 2 3 4 5 6 7 8 9 10 ... >> ←

Line Commands

Copy Delete Add Lines 1 Go To 1 #Lines to Display: 25 ▼

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 will appear that need a good lease number.
 - Don't panic, if you can't figure out what is wrong with the lease number call ONRR Reporting Services. We can help you.
-

Payment Information

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

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:	<input type="text"/>	Amount 1:	<input type="text" value="0.00"/>
Doc ID2:	<input type="text"/>	Amount 2:	<input type="text" value="0.00"/>
Doc ID3:	<input type="text"/>	Amount 3:	<input type="text" value="0.00"/>

Net Payment For Report: 21,222,363.49

Authorization

Authorized Payor: Hayes, Rosalind

Date (MM/DD/YYYY)*: 

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.
-

Override

Home » Documents List » MMS-2014 » Override

MMS 2014 Overridable Errors

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
<input checked="" type="checkbox"/> 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
<input checked="" type="checkbox"/> 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
<input checked="" type="checkbox"/> 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
<input checked="" type="checkbox"/> 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
<input checked="" type="checkbox"/> 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

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!

Validation

ONRR Electronic Reporting - Validation Results - Windows Internet Explorer

File Edit View Favorites Tools Help



Validation Progress

Validation: 0%

Current Operation: **Validating...**

Done Local intranet 100%

Validation cont.

Validation Results

General Report Information
Report ID: 236 Report Status: Open Override Status: No override request

There are no warnings.

Location	Error Code	Message
Header Section	9505	Invalid Payor Code
Line #: 1	403	The ONRR Lease Number is a required field.
Line #: 1	406	Transaction Code is a required field.

Done

Internet 100%

start | MMS - 2014 - Window... | Pipeline Home - Wind... | ONRR Electronic Rep... | 10:27 AM



Office of Natural Resources Revenue

Documents List Registration Information Upload File Upload History Help Feedback Log Out

Home » Documents List » MMS-2014

Seconds until next auto-save: 300

General Report Information

Report ID: 5836 Report Status: Open Override Status: No override request

Header Data

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

Windows Internet Explorer ✖

The report is not ready to be sent. Please run validation to ensure that the following are true before sending to ONRR:

- The report data has not been changed or updated since the last validation.
- The report has no non-overridable errors.
- The report has no overridable errors that have yet to be approved for override.

MMS-2014 Detail Lines

Select Line	Line #	Preparer Use Only	ONRR Lease Number* Search	ONRR Agree Number Search	API Well Number	Product Code*	Sales Type	Sales Date (MMYYYY)*	Transaction Code*
<input type="checkbox"/>	> 1	50kNoErr	5240015380	7930000180		39-Coal Bed Methane	OINX	10 2007	01
<input type="checkbox"/>	> 2	50kNoErr	5240015380	7930000180		39-Coal Bed Methane	OINX	10 2007	01
<input type="checkbox"/>	> 3	50kNoErr	5240015380	7930000180		39-Coal Bed Methane	OINX	10 2007	01
<input type="checkbox"/>	> 4	50kNoErr	5240015380	7930000180		39-Coal Bed Methane	OINX	10 2007	01
<input type="checkbox"/>	> 5	50kNoErr	5240015380	7930000180		39-Coal Bed Methane	OINX	10 2007	01
<input type="checkbox"/>	> 6	50kNoErr	5240015380	7930000180		39-Coal Bed Methane	OINX	10 2007	01
<input type="checkbox"/>	> 7	50kNoErr	5240015380	7930000180		39-Coal Bed Methane	OINX	10 2007	01
<input type="checkbox"/>	> 8	50kNoErr	5240015380	7930000180		39-Coal Bed Methane	OINX	10 2007	01
<input type="checkbox"/>	> 9	50kNoErr	5240015380	7930000180		39-Coal Bed Methane	OINX	10 2007	01

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.



Office of Natural Resources Revenue

[Documents List](#) | [Registration Information](#) | [Upload File](#) | [Upload History](#) | [Help](#) | [Feedback](#) | [Log Out](#)

Home » Documents List

[New 2014](#)

[New OGOR](#)

[New PASR](#)

[Help](#)

Filter Options

Document Type: Status: Starting Date: Ending Date: [Redisplay List](#)

Report Documents

Document Type	Report ID	User ID	Reporter Code	Reporter Assigned Doc No. / Reporter Doc Name	Status	Last Update (ET)	Edit / Display	Print	Copy		Delete	Export
2014	2660	LEESJA	10860	50kNoErr	OPEN	2/23/2011 3:24:10 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2657	LEESJA	10860	50kNoErr	OPEN	2/23/2011 3:15:41 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2659	LEESJA	10860	50kNoErr	OPEN	2/23/2011 3:14:06 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2658	LEESJA	10860	50kNoErr	OPEN	2/23/2011 3:14:06 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2655	COLEMANA	10860	5000noer	OPEN	2/23/2011 2:13:26 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2648	LEESJA	10860	5000In	OPEN	2/23/2011 1:52:17 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2649	LEESJA	10860	5000In	OPEN	2/23/2011 1:51:44 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed
2014	2650	LEESJA	10860	5000In	OPEN	2/23/2011 1:51:16 PM	Edit	Print	Copy All	Copy Specific	Delete	CSV Fixed

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



Office of Natural Resources Revenue

[Documents List](#)

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Tell Us What You Think of Our Site

[Provide Feedback](#)

Name: Hayes, Rosalind

From: Rosalind.Hayes@onrr.gov

Feedback: (Required)

Max 4000 characters

Formulas for Pricing and Royalty Rate

For the 99% edit:

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

$$\text{RVPA} \times .99 = \text{Sum of Allowances}$$

e.g. $1341.01 \times .99 = 1327.5999$

The 99% equals 1327.59 on the report.

There is no rounding!

Implied Relationships

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

Monitored for royalty rate verification

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

Monitored for reasonable pricing

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.

Thank You!!!





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ERROR CORRECTION





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HOW DO WE GET STARTED

- EDITS AND ERROR CORRECTION
- DATA ELEMENTS BY TRANSACTION CODE
- ROYALTY ERROR CORRECTION CONTACT LIST
- PATIENCE
- DETECTIVE SKILLS



EDITS AND ERROR CORRECTION

Federal/Indian Indicator System Edits

ONRR uses system edits to determine the validity of the data reported on the Form 2014. A list of edits for the F/I Indicator is as follows:

- 9517 – Reported F/I Indicator is inconsistent with F/I Indicator on the Leas
- 9551- Only Indian leases allowed for this TC
- 9552 – Only Federal leases allowed for this TC



Edit Specifications:

Common	9517		Checks to make sure lease is valid. Compares the reported F/I indicator against what is shown on the lease. If they do not match then Error
TC	9551	12,50,51, 06	If indicator on the header is federal then error
TC	9552	37,38,41,42, 60	Checks if the F/I indicator is Federal. If Indicator is Indian then Error.



Error Correction for Transaction Code Edits

9517	<ul style="list-style-type: none">•Compares the reported F/I indicator against what is shown on the lease. If the leases do not match the indicator you will get this error.•Double check all leases to determine if the problem is the lines or the Header F/I indicator is incorrect.•There could be Federal lines on an Indian document or Indian lines on a Federal document.•If the F/I Indicator is incorrect and the document is 100% rejected you can change the indicator and clear the document
9551	<ul style="list-style-type: none">•This edit will only run if the TC is equal to 12, 50, 51, 06. These TC's can only be used on Indian documents. The edit looks at the Header and the F/I Indicator. If it is Federal the error will display.•Double check the detail lines displaying the TC's. Compare them against the Data Elements by Transaction Code Chart to see if the correct TC was used.



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SCENARIO 1

PAYOR CODE: 12345

PAD: 12345678

F/I INDICATOR: F

DETAIL LINES: 500 lines Total

ERROR: All lines reject with error 9517 – Reported F/I Indicator is inconsistent with the F/I Indicator on the lease.

4 lines reject with error 9551 – Only Indian Leases allowed for this TC.

Except for the 4 lines with 9551, which are Transaction Code 50, the Transaction Code used is 01.

You have Adjustment Reason Code 17 on all of the lines except for the 4 lines reported as Transaction Code 50.

You used payment method 03 on all lines.



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DATA ELEMENTS BY TRANSACTION
CODE

Transaction Code	ONRR Lease No.	API Well No.	ONRR Agreement No.	Product Code	Sales Type Code	Sales Mo/Yr	Adjustment Reason	Sales Volume	Gas MMBtu	Sales Value	Royalty Value Prior to Allowance	Transport Allowance Deduction	Processing Allowance Deduction	Royalty Value Less Allowances	Payment Method Code
01 Royalty Due	X	E	A	X	X	X	O	X	M	X	O	(B)	(B)	X	X
02 Minimum Royalty Payment	X					X	O				O			X	X
03 Estimated Royalty Payment	X					X	O				O			X	X
04 Rental Payment	X					X	O				O			X	X
05 Advance Rental Credit	X					X	O				O			X	X
06 Royalty In Kind Transaction - No Cash Payment to ONRR	X	E	A	X	O	X	O	X	M	X	O			X	X
07 ONRR Settlement Agreement	X					X					O			X	X
08 Royalty In Kind Reserved for Future Use	X	E	A	X	X	X	O	X	M	X	O	(B)	(B)	X	X
10 Compensatory Royalty Payment	X		A	X	O	X	O	X	M	X	O	(B)	(B)	X	X



ROYALTY RATE ERRORS

Detail Line

	1	2
• Line Number		
• API Well Number		
• MMS Lease Number	049012943A	0490129430
• MMS Agreement Number		8910012340
• Product Code	04	01
• Sales Type Code	ARMS	ARMS
• Sales MO/YR	072011	072011
• Transaction Code	01	01
• Adjustment Reason Code		
• Sales Volume	1280.00	10.55
• Gas MMBtu	1408.00	
• Sales Value	704.00	527.98
• Royalty Value Prior to Allowances	88.00	88.00
• Transportation Allowance	0.00	0.00
• Processing Allowance	0.00	0.00
• Royalty Value Less Allowances	88.00	88.00
• Payment Method Code	3	3



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THE ANSWER IS

NO



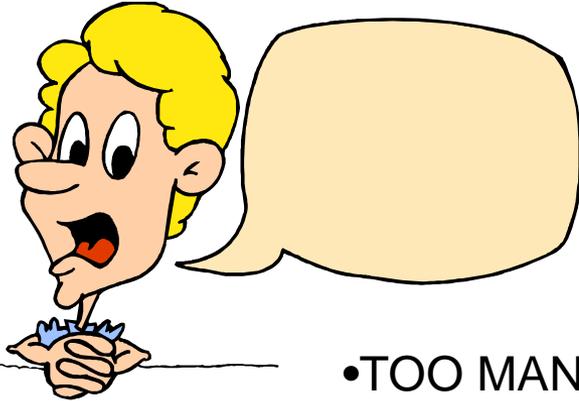
THINGS TO CONSIDER WHEN SPLITTING DOCUMENTS ARE:

- Can I break the data into smaller pieces by using years or months for breaking points?
- Is my document going to be Federal or Indian?
- How many lines of data am I attempting to report?
- What do I do about multiple documents and the PAD (UFI)?



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LETS TALK

- TOO MANY ERRORS CAN'T VALIDATE
- OVERRIDE DOES NOT SEEM TO BE WORKING
- WHAT DO YOU DO WHEN THERE ARE TOO MANY ERRORS
- SO HOW MANY ERRORS CAN I HAVE
- WHY DO I HAVE SO MANY ERRORS
- HOW DO I HANDLE AUDITS AND DATA MINING



PATIENCE

There are a few things that you can count on:

1. When you need to use an automated system and there is a deadline it will be as slow as molasses in January
2. If you need to call someone for help and time is running out no one will respond to your calls
3. You know exactly what you are doing but no one will believe you



REMEMBER TO

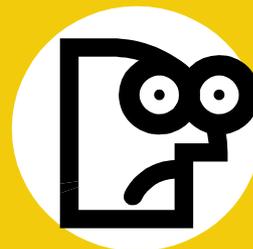
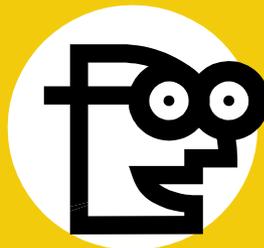
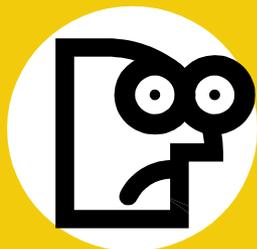
1. BREATHE
2. LAUGH
3. RELAX
4. TREAT OTHERS HOW YOU WANT TO BE TREATED
5. LET FRUSTRATION AND STRESS GO, LIFE IS TOO SHORT
6. FIND ONE THING EACH DAY TO BE THANKFUL FOR





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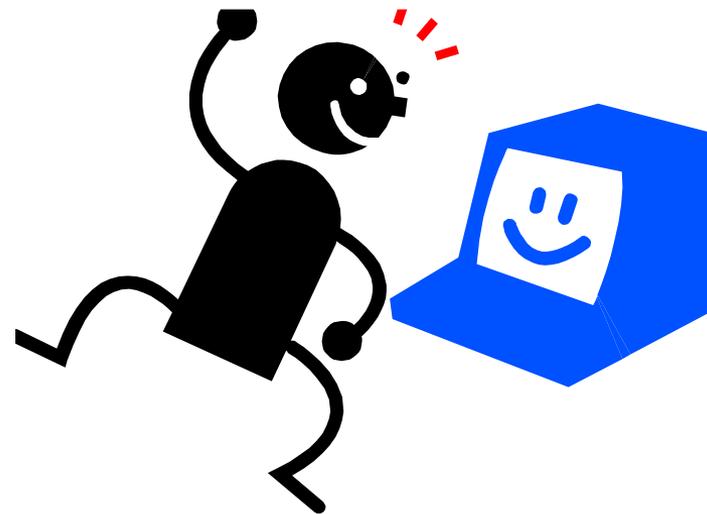


It's QUESTION TIME!!



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BREAK TIME

Invalid Payor Codes

The *Minerals Revenue Reporter Handbook* defines “payor code” as a five-digit code assigned by ONRR and associated with company/individual name and address information maintained in the ONRR system. It is synonymous with “customer id.” ONRR uses payor codes in numerous business processes; the payor code must match the payor code on payment documents. Form 2014’s are attributed to the payor code currently stored in the ONRR data base, regardless of the name entered in field 1.

Who is a payor? A payor may be any entity that is assigned or assumes an obligation to report data and/or make payment to ONRR on Form 2014. Royalty Simplification & Fairness Act (RSFA) defines who is responsible for making royalty and related payments on Federal leases. Payors may include lessees, designees, operators, purchasers, and working interest owners, but are not restricted to these parties.

The ONRR system matches a payor code with the customer information in the ONRR data base and inserts the company name in the Royalty Error Correction Header screen. If the system cannot find a match for a payor code, it inserts payor code 99999 (Control Customer), and rejects the document.

The Payor Code in the Ecommerce Website is limited to what you have access to. If you didn’t include a Payor Code on your EMARF then you won’t find it on your pull down list to use. Don’t use the wrong Payor Code. Estimates, Recoupable Balances are Payor Code specific so if you don’t have the correct Payor Code you may get errors. Please do not use a Operator Number to send in your 2014.

Please make note that a new edit is coming. The edit will be on the Payor Code. It will look at the Payor Code and check to see if it is a Payor Code versus an Operator Code. If it is not a Payor Code then the error will display.

Payor Code System Edit

ONRR uses system edits to determine the validity of data reported on the Form 2014.

Payor Assigned Document (PAD) Number

The *Minerals Revenue Reporter Handbook* describes the “payor assigned document number” as an eight-number identifier chosen by the payor unless otherwise directed by ONRR. For example, if you submit two Form 2014 reports for the October 2012 report month, the PAD numbers for the two reports could be 20121001 and 20121002 (year, month, and document number). This number must be unique, and you must use it for only one report and payment document match unless you combine multiple reports.

The same PAD number must be included on the accompanying payment document along with the Payor Code, including payments made to lockboxes.

Payor Assigned Document Number System Edit

ONRR uses the following system edit to determine if a PAD number has been reported on Form 2014: 9507 – The Payor Document Number must contain a value.

Edit Specification

Edit Number	Edit Attached to TC(s)	Edit Description
9507	N/A	Checks for a PAD number. If the PAD number is blank, error occurs.

Error Correction for PAD Number Edit

9507– The Payor Document Number must contain a value

To fix the error, a PAD number must be entered.

Federal/Indian Indicator

The *Minerals Revenue Reporter Handbook* describes the Federal/Indian (F/I) Report Indicators as “F,” which identifies **Federal** lease reports; and “I,” which identifies **Indian** lease reports. Federal and Indian leases **must** be reported on separate Form 2014’s.

Federal/Indian Indicator System Edits

ONRR uses system edits to determine the validity of data reported on Form 2014. A list of edits for the F/I Indicator is as follows:

- 9516 – The F/I must contain a value
- 9517 – Reported F/I Indicator is inconsistent with F/I Indicator on the Lease
- 9551- Only Indian leases allowed for this TC (Transaction Code)
- 9552 – Only Federal leases allowed for this TC.

Edit Specifications

Edit Number	Edit Attached to TC(s)	Edit Description
9516	N/A	Checks for the F/I Indicator. If null, then Error.
9517	N/A	Checks to make sure lease is valid. Compares the reported F/I indicator against what is shown on the lease. If they do not match, then Error.
9551	12,50,51,06	If indicator on the header is F, then error
9552	37,38,41,42	Checks if the F/I indicator is Federal. If Indicator is Indian, then Error.

Error Correction for Transaction Code Edits

9516– The F/I must contain a value

Checks F/I Indicator. If the F/I Indicator is left blank, an error will occur. This edit will not occur. You are limited to F or I and the default is F.

9517– Reported F/I Indicator is inconsistent with F/I Indicator on the Lease

Compares the reported F/I indicator against what is shown on the lease. If the leases do not match the indicator, you will get this error.

1. Double-check all leases to determine whether the problem is the lines or the Header F/I indicator is incorrect.
2. Check for Federal lines on an Indian document or Indian lines on a Federal document.
3. If there are Federal lines on an Indian document, create a new document and resubmit the Federal lines on a Federal document.
4. If there are Indian lines on a Federal document, create a new document and resubmit the Indian lines on an Indian document.
5. If the F/I Indicator is incorrect and the document is 100% rejected, change the indicator and clear the document.

9551- Only Indian leases allowed for this TC (Transaction Code)

This edit will only run if the TC is equal to 12, 50, 51, or 06. These TC's can only be used on Indian documents. The edit looks at the Header and the F/I Indicator. If either is Federal, the error will display.

1. Double-check the detail lines displaying the TC's. Compare them against the Data Elements by Transaction Code Chart to see if the correct TC was used.
2. If the TC's being reported are correct for that F/I Indicator change the F/I Indicator on the Header and clear the document.
3. If the TC's are correct or if they are mixed up, delete the incorrectly reported lines. Create a new document to report the incorrect lines on an Indian document.

9552- Only Federal leases allowed for this TC

Check to see that the F/I indicator is Federal. This edit will only run if the TC is equal to 37, 38, 41, 42. These TC's can only be used on Federal documents. The edit looks at the Header and the F/I Indicator; if Indian, the error will display.

1. Double check detail lines displaying the TC's. Compare them against the Data Elements by Transaction Code Chart to see if the correct TC was used.
2. If all TC's reported are correct for that F/I Indicator and the header displays black, change the F/I Indicator on the Header and clear the document.
3. If the TC's are correct or they are mixed up and the header displays gray, delete the incorrectly reported lines by creating a delete line workflow action. Create a new document to report the incorrect lines on a Federal document.

ONRR Lease Number

The *Minerals Revenue Reporter Handbook* describes the "lease number" as a 10 digit ONRR converted lease number. The ONRR lease number must be a valid ONRR-converted lease number. In most cases, the lease number consists of 10 digits (a 3-digit prefix, 6-digit body and 1-digit suffix). However, the field can accommodate an 11-digit number with a 2-digit suffix. An 11-digit number may be used at some time in the future. If your lease number has a single-digit suffix, left justify it.

Lease Number System Edits

ONRR uses system edits to determine the validity of data reported on Form 2014. The list of Lease Number edits is as follows:

- 9548 – Invalid Lease Number
- 9553 – Only Land Class Fed/Both Allowed for TC
- 9591 – Rent Provision not Found
- 9592 – Advanced royalty provision not found
- 9593 – Minimum royalty or minimum royalty paid in advance provision not found
- 9594 – Well fee provision not found
- 9595 – Gas storage flat fee provision not found
- 9596 – Gas storage injection fee provision not found
- 9597 – Gas storage withdrawal fee not found
- 9629 – Cannot recoup unless min roy paid in adv provision is established for lease
- 9630 – Lease is not producing

Edit Specifications

Edit Number	Edit Attached to TC(s)	Edit Description
9548	N/A	Checks lease number format and if it is a valid lease number. If valid lease number is incorrectly formatted or not found, error occurs.
9553	21, 22	Compares reported lease number to the Land Class Code on the Lease. If it is not Federal or both, error occurs.
9591	04, 05, 25	Compares reported lease number to system and checks provisions. If no rent provision exists for that sales date, error occurs.
9592	32, 33	Compares reported lease number to system and checks provisions. If no Advance Royalty provision exists for that sales date error occurs.
9593	02, 52	Compares reported lease number to system and checks provisions. If no Minimum Royalty or Minimum Royalty Paid in Advance provision exists for that sales date, error occurs.
9594	16	Compares reported lease number to system and checks provisions. If no Well Fee provision exists for that sales date, error occurs.

9595	17	Compares reported lease number to system and checks provisions. If no Gas Storage Flat Fee provision exists for that sales date, error occurs.
9596	18	Compares reported lease number to system and checks provisions. If no Gas Storage Injection Fee provision exists for that sales dates date, error occurs.
9597	19	Compares reported lease number to system and checks provisions. If no Gas Storage Withdrawal Provision exists for that sales date, error occurs.
9629	52	Checks for provisions and lease account balance. If provision does not exist or balance is insufficient, error occurs.
9630	01, 03, 06, 10, 11, 12, 13, 14, 15, 16, 25, 31, 37, 38, 39, 40, 41, 42, 43, 52, 53, 54, 44, 45, 46, 47, 48, 49	Checks contract status to see if lease is producing for that sales date. If not, error occurs.

Error Correction for ONRR Lease Number Edits

The Reference Data section of Reporting Services maintains Lease and Agreement information. Therefore, the edits listed above are corrected by Reference Data personnel (Refer to the Lease and Agreement Desk Manual).

ONRR Agreement Number

The *Minerals Revenue Reporter Handbook* describes the “agreement number” as a 10-digit or alpha-numeric ONRR converted lease number. The ONRR agreement number must be a valid ONRR-converted agreement number. Enter the agreement number for those leases that have royalty-bearing production allocated from an agreement. Leave the field blank if sales are reported for lease-basis production.

The ONRR agreement number is a 10-digit number that we convert from a BLM- or OEMM- assigned agreement number or from the BIA contract number. The ONRR agreement number consists of a 3-character prefix, 6-character body, and 1-character suffix.

Although agreement numbers are usually 10 digits long, the agreement number field on Form 2014 can accommodate an 11-digit number with up to a 2-digit suffix. An 11-digit number may be used at some time in the future. If your agreement number has a single character suffix, left justify it.

For ONRR lease or agreement number conversions, see Appendix B of the *Minerals Revenue Reporter Handbook*.

BLM agreement number	ONRR agreement number		
	Prefix	Body	Suffix
WYW192003B	W(sp)(sp)	192003	B(sp)
NMNM34567A	NM(sp)	(sp)34567	A(sp)
14-08-0001-30506-A	891	030506	A(sp)

Agreement Number System Edits

ONRR uses system edits to determine the validity of data reported on Form 2014. The list of Agreement Number edits is as follows:

- 9639 – Invalid Agreement Number
- 9640 – Agreement Number not related to reported lease

Edit Specifications

Edit Number	Edit Attached to TC(s)	Edit Description
9639	N/A	Checks system for reported Agreement Number. If not found, Error occurs.
9640	N/A	Compares reported Agreement Number to system valid lease/agreement assignments, effective dates, etc.

Error Correction for ONRR Agreement Number Edits

The Reference Data section of Reporting Services maintains Lease and Agreement information. Please call your error correction analyst if you have looked at your agreement number and it is entered correctly. The error correction analyst will work with you and Reference Data to determine what the problem is. If you have documentation that shows the agreement number is effective, valid, etc. please scan the documents and send to your error correction analyst. They will be forwarded to Reference Data.

API Well Number

The *Minerals Revenue Reporter Handbook* describes the “API Well number” as a 15-character, API-Assigned well number. Report this number only if required by ONRR on certain Indian properties and offshore deepwater 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, e.g., 490051234500S01.

API Well Number System Edit

ONRR uses system edits to determine the validity of data reported on Form 2014. The API Well Number edit is 9550 – API Well Number must contain a valid value.

Edit Specification

Edit Number	Edit Attached to TC(s)	Edit Description
9550	N/A	Checks the API well number format and if it is a valid well number. If well number is incorrectly formatted or not found, error occurs.

Error Correction for API Well Number Edits

The Reference Data section of Reporting Services maintains Lease and Agreement information. Please call your error correction analyst if you have looked at your agreement number and it is entered correctly. The error correction analyst will work with you and Reference Data to determine what the problem is. If you have documentation that shows the edit may be incorrect scan it and send it to your error correction analyst. They will be forwarded to Reference Data.

Product Code

The *Minerals Revenue Reporter Handbook* describes the product code as “a 2-digit code established by ONRR to identify the product sold or removed from the lease or from a lease-agreement combination.” A list of valid product codes is in Appendix C of the *Handbook*.

Product Code System Edits

ONRR uses system edits to determine the validity of data reported on Form 2014. A list of edits for the product code is as follows:

- 9549 – Product Code is not a valid Product Type for the lease
- 9618 – Invalid Product Code
- 9620 – Product Type must be Oil and Gas
- 9621 – The Product Code must be blank
- 9623 – Product Code cannot be blank
- 9660 – Product Code must be 01 (Oil) or 02 (Condensate)

Edit Specifications

Edit Number	Edit Attached to TC(s)	Edit Description
9549	N/A	Compares PC reported on the detail line to the Minerals PC for the reported lease. For example, if the Minerals PC equals 01, the PC must be oil and gas. If the Mineral PC equals 03, then the PC must be geothermal. Edit looks at the PC mineral type first, then at the lease mineral PC to make sure that Solids leases cannot report oil and gas product codes.
9618	01, 06, 10, 11, 12, 13, 14, 15, 20, 31, 38, 37, 39, 40, 41, 42, 53, 54	Compares the PC reported on the detail line to the PC table to see if it is a valid product code.
9620	21, 22	Checks to see if the lease is oil and gas. Only oil and gas products can have interest calculated and reported.
9621	02, 03, 04, 05, 07, 16, 17, 18, 19, 21, 22, 25, 32, 33, 50, 51, 52	A PC is not reported if the TC is in the list to the left.
9623	01, 06, 10, 11, 12, 13, 14, 15, 20, 31, 37, 38, 39, 40, 41, 42, 53, 54	A valid PC is required if the TC is in the list to the left.
9660	13	Product codes 01 and 02 are invalid when reporting transaction code 13.

Error Correction for Product Code Edits

<p>9549– Product Code is not a valid Product Type for the lease</p>	<ol style="list-style-type: none"> 1. See Appendix C of the <i>Minerals Revenue Reporter Handbook</i> for a list of all valid product codes. The appendix lists Oil and Gas and Geothermal product codes
	<ol style="list-style-type: none"> 2. Call your error correction analyst for assistance.
<p>9618– Invalid Product Code</p>	<ol style="list-style-type: none"> 1. See Appendix C of the <i>Minerals Revenue Reporter Handbook</i> for a list of all valid product codes. Change the product code to a valid code.
<p>9620– Product Type must be Oil and Gas</p>	<ol style="list-style-type: none"> 1. Call your error correction analyst for assistance. 2. Compare the product code and the transaction code on the detail line. Contact the reporter to determine which valid product code is to be reported, or if an incorrect TC was used.
<p>9621– The Product Code must be blank</p>	<ol style="list-style-type: none"> 1. Compare the PC and the TC on the detail line for a valid combination. 2. Change the product code or transaction code to a valid code combination.
<p>9623– Product Code cannot be blank</p>	<ol style="list-style-type: none"> 1. Compare the PC and the TC on the detail line for a valid combination. 2. Change the product code/transaction code to a valid code combination.
<p>9660– Product Code must be 01 (Oil) or 02 (Condensate)</p>	<ol style="list-style-type: none"> 1. Compare the PC and the TC on the detail line for a valid combination. 2. Change the product code/transaction code to a valid code combination.

Sales Type Codes

The *Minerals Revenue Reporter Handbook* describes the “sales type code” as follows. “We require separate lines of royalty detail based on the nature of the sale. Report the disposition of production by the contract type. The sales type code for pooled sales allows reporting of both arm’s-length and non-arm’s-length sales under a single code. The sales type code applies only to sales contracts and not to the transportation or processing agreements. Leave the field blank for lease-level transactions, such as rental, minimum royalty, rent recoupment, or estimated royalty payments.”

For a list of sales type codes and help in determining which sales type code you should use (for example, arm’s-length [ARMS] or percentage-of-proceeds [POP] contracts), see Appendix D of the *Minerals Revenue Reporter Handbook*.

Sales Type Code System Edits

ONRR uses system edits to determine the validity of data reported on Form 2014. A list of edits for the sales type code is as follows:

- 9560 – Sales Type Code must contain a valid value.
- 9670 – Z999 or Z700 sales type cannot be used for Sales Months after 09/2001.

Edit Specifications

Sales Type Code Edit	Edit Attached to TC(s)	Edit Description
9560	01, 11, 12, 14, 15, 41, 53, 54	If sales type code is required but missing, or not a valid code, then error. .
9670	01, 11, 12, 14, 15, 20, 41, 53, 54	If Sales Date \geq to 10/2001, and RVPA > 2.00, and Sales Type Code = Z999 or Z700, then error.

Error Correction for Sales Type Code Edits

9560– Sales Type Code must contain a valid value

1. If a sales type code is required but missing or not a valid code, then look at the Sales Type Code Edits in Appendix D of the *Minerals Revenue Reporter Handbook*.
2. Determine which sales type code should be used for the type of transaction.

9670– Z999 or Z700 sales type cannot be used for Sales Months after 09/2001

1. If the sales month/year is prior to 10/2001 and the royalty value less allowances is less than \$2.00, the sales type code is Z999 or Z700, which are pre-conversion sales type codes. All sales months equal to or after 10/2001 must have a valid sales type code.
2. Check the sales month/year to determine if it is on or after 10/2001. If so, determine what type of contract you have or what valid sales type code you should be using.

Sales Month and Year

The *Minerals Revenue Reporter Handbook* describes the “sales month and year” as the six-digit number corresponding to the month, century, and year in MMYYYY format; for example, enter 102012 for October 2012.

The following definitions of sales month/year are used when reporting on Form 2014:

Royalties: The month and year the product was sold or removed from the lease or used for geothermal resources.

Rentals: The month and year the rental is due; for example, a rental due date of December 1, 2012 – corresponding to a lease year that runs from December 1, 2012, through November 30, 2013 – is reported as 122012. A rental due date of March 15, 2013 – corresponding to a lease year running from March 15, 2013, through March 14, 2014 – is reported with a sales month/year of 032013.

Minimum royalties: The last month and year of the lease year that a minimum royalty obligation is due. A lease year running from December 1, 2012, through November 30, 2013, has a minimum royalty due date of November, 2013, and is reported with a sales month year of 11013.

Sales Month and Year System Edits

ONRR uses system edits to determine the validity of data reported on Form 2014. A list of edits for the sales month and year system is as follows:

- 9530 – Invalid Sales MO/YR format
- 9531 – Sales MO/YR must be after the lease anniversary data
- 9532 – Sales MO/YR must be prior to the lease termination date or relinquished date
- 9554 – Sales MO/YR must be prior to the Report MO/YR
- 9556 – Sales MO/YR must be one month prior to Report MO/YR
- 9557 – Sales MO/YR must be greater than or equal to 01/1997
- 9559 – Sales MO/YR cannot be future dated
- 9667 – Sales Month cannot be greater than current year plus 5 years or less than year 1983

Edit Specifications

Edit Number	Edit Attached to TC(s)	Edit Description
9530	Common – runs on all detail lines	Checks sales date to see if it is valid
9531	Common – runs on all detail lines	Checks sales date against lease anniversary date. If sales date is before the lease anniversary date, then error.
9532	Common – runs on all detail lines	Checks to make sure lease is active and that effective date is less than sales date.
9554	01, 03, 06, 07, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 31, 33, 37, 39, 40, 41, 42, 50, 51, 52, 53, 54	Compares reported sales date with the system report date. Sales date cannot be greater than system date.
9556	03	Compares sales month and report month. This is for TC 03 only.
9557	21, 22	Compares sales date to 01/1997; if less than, error occurs
9559	01, 03, 06, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 31, 33, 37, 38, 39, 40, 41, 42, 50, 51, 52, 53, 54	Compares sales date to system date; sales date cannot be greater that system date.
9667		Compares Reported Sales Month Year to (Current year + 5 years). If Reported Sales Month year is greater, then error.

Error Correction for Sales Month and Year Edits

9530– Invalid Sales MO/YR format

1. Look at the sales date on the detail line for formatting. The sales month must be in the format MM/CCYY. Correct format and clear the line.

9531– Sales MO/YR must be after the lease anniversary data

This edit is connected to the lease anniversary date in ONRR’s Reference Data. The Reference Data section of Reporting Services maintains Lease and Agreement information. Please call your error correction analyst if you have looked at your agreement number and it is entered correctly. The error correction analyst will work with you and Reference Data to determine what the problem is. If you have documentation that shows the agreement number is effective, valid, etc. please scan the documents and send to your error correction analyst. They will be forwarded to Reference Data.

9532– Sales MO/YR must be prior to the lease termination date or relinquished date

This edit is connected to the lease termination date in ONRR's Reference Data. The Reference Data section of Reporting Services maintains Lease and Agreement information. Please call your error correction analyst if you have looked at your agreement number and it is entered correctly. The error correction analyst will work with you and Reference Data to determine what the problem is. If you have documentation that shows the agreement number is effective, valid, etc. please scan the documents and send to your error correction analyst. They will be forwarded to Reference Data.

9554– Sales MO/YR must be prior to the Report MO/YR

This is a TC-specific edit. It checks the line to see what TC the required fields match on the Data Elements by Transaction Code List. It is allowed only on the transaction codes listed above.

9556– Sales MO/YR must be one month prior to Report MO/YR

This edit only runs if TC is equal to 03, estimates. The sales date must be one month prior to the report date. If the sales month is not one month prior to the report month, change the date. If you are attempting to increase an estimate from a previous sales date you are not allowed to go back in time.

9557– Sales MO/YR must be greater than or equal to 01/1997

This edit only runs if TC is equal to 21 or 22. Check to see whether that TC is incorrect. Check Data Elements by Transaction Code to see what TC the line matches. This will give you all possible TC's.

- If the company is reporting TC 21 or 22 on a sales month prior to 01/1997, please delete the line. TC 21 or 22 can not be overridden.

9559– Sales MO/YR cannot be future dated

This is a TC-specific edit. It checks the line to see what TC the required fields match on the Data Elements by Transaction Code. This edit looks at the transaction code and determines if future sales dates are allowed.

9667– Sales Month cannot be greater than current year plus 5 years or less than year 1983

Compares reported sales year to (Current year + 5 years). The sales date cannot be dated any farther than 5 years into the future.

Transaction Codes

The *Minerals Revenue Reporter Handbook* describes a “transaction code” as a two-digit code that describes the reported transaction. A Transaction Code (TC) is required on all lines, and determines which fields on the line must be completed. For detailed instructions on reporting TC’s, see Chapter 4 of the *Minerals Revenue Reporter Handbook*. For a list of TC’s, see Appendix E of the *Minerals Revenue Reporter Handbook*.

Transaction Code System Edits

ONRR uses system edits to determine the validity of data reported on Form 2014. A list of edits for the transaction code is as follows:

- 9525 – Invalid TC
- 9526 – ARC is invalid for the TC
- 9627 – TC is invalid for non-recoupable leases
- 9628 – TC is invalid for recoupable leases. Use TC 05
- 9631 – TC is only valid for gas storage agreements

Edit Specifications

Edit Number	Edit Attached to TC(s)	Edit Description
9525	Common – runs on all transactions	Checks PeopleSoft system for a valid TC. If it doesn’t find it, Error occurs.
9526	Common – runs on all transactions	Checks PeopleSoft system for a valid TC/ARC combination. If it doesn’t find it, Error occurs.
9627	05	Looks at PeopleSoft system for a valid lease and if the provision type is recoupable for rent. If the provision type is non-recoupable rent, Error occurs.
9628	04	Looks at PeopleSoft system for a valid lease and if the provision type is non-recoupable for rent. If the provision type is recoupable rent, Error occurs.
9631	17, 18, 19	Looks at PeopleSoft system for a valid type of contract. If the type is not gas storage, Error occurs.

Error Correction for Transaction Code Edits

9525 – Invalid TC	<ol style="list-style-type: none">1. Look at the TC and the rest of the detail line. Compare how the line is completed to the Data Elements by Transaction Code table.2. Determine which TC's are possible, based on information in the table, then look at the reported TC. Check to see if the numbers were reversed or whether you used an Adjustment Reason Code (ARC) instead of a TC.
9626 – ARC is invalid for the TC	<ol style="list-style-type: none">1. Look at the TC and ARC combination. Compare how the line is completed to the Data Elements by Transaction Code table.2. Determine if the TC is being reported correctly. Look at the ARC and determine if it is valid (see Appendix F of the <i>Minerals Revenue Reporter Handbook</i>). To determine the TC/ARC combination that should have been used, look at the TC/ARC chart.
9627 – TC is invalid for non-recoupable leases	<ol style="list-style-type: none">1. Change TC from 05 to 04.2. Call your error correction analyst.
9628 – TC is invalid for recoupable leases. Use TC 05	<ol style="list-style-type: none">1. Change TC from 04 to 05.2. Call your error correction analyst.
9631 – TC is only valid for gas storage agreements	<ol style="list-style-type: none">1. Look at the line to make sure it matches the pattern for TC 17, 18, or 19 in the Data Elements table.2. Call you error correction analyst. Ask them to look at the lease to determine if it is a valid storage agreement.

Adjustment Reason Codes

The *Minerals Revenue Reporter Handbook* describes the “adjustment reason code” as a 2-digit code that identifies the reason for an adjustment. A list of valid adjustment reason codes is in Appendix F of the *Minerals Revenue Reporter Handbook*.

Adjustment Reason Code System Edits

ONRR uses system edits to determine the validity of data reported on Form 2014. A list of edits for the adjustment reason code is as follows:

- 9524 – Invalid ARC
- 9529 – ARC 15 (Marginal Property True Up) is invalid for Indian leases
- 9604 – ARC must be blank
- 9605 – An estimate balance exists so the ARC must be 32
- 9607 – An estimate balance does not exist so the ARC must be blank
- 9609 – ARC 16 (Major Portion) valid only for non-index Indian leases with gas product
- 9610 – Fund Adjustment Record must exist for ARC 16
- 9641 – Agreement Number is required for ARC 15 (Marginal Property True-Up)

Edit Specifications

Edit Number	Edit Attached to TC(s)	Edit Description
9524	N/A	This edit checks the PeopleSoft System for a valid ARC. If it doesn't find it, error occurs. Changed to warning as of 03/21/02.
9529	N/A	ARC 15 is used only if the document is Federal. If the F/I Indicator on the lease is I and the ARC = 15, error occurs.
9604	07	If ARC is not 00 or blank, and if any of the values are positive, error occurs. All values must be positive when a valid ARC other than 00 is used.
9605	03	Looks at the Estimates Lease Account Balance and checks for the Payor Code and Lease number to see if a balance has been established. If a reporter has ever reported an estimate for the specific Payor/Lease combination, an ARC 32 must be used. Note: The edit does not look at the LAB sum amount.
9607	03	Looks at the Estimates Lease Account Balance and checks for the Payor Code and Lease number to see if a balance has been established. If a reporter has ever reported an estimate for the specific Payor/Lease combination, no ARC is used

Edit Number	Edit Attached to TC(s)	Edit Description
9609	01	This error is only performed when ARC – 16 is reported and when the following criteria are not met: The lease is a non-index lease The document reported is Indian The Product Code is gas The sales date is after the inception of the major portion date, 01/01/00.
9610	01	This error will occur when the following criteria are not met: The document reported is Indian The ARC is 16 The Product Code is gas A fund adjustment record for the reported sales date must exist for the Distributee Code attached to the reported lease on the 2014 detail line.
9641	01, 43, 46, 49	If ARC is valid and 15 and there is not a agreement no. reported on the line, error occurs.

Error Correction for Adjustment Reason Code Edits

9524- Invalid ARC

1. Refer to Appendix F of the *Minerals Revenue Reporter Handbook* for a list of valid adjustment reason codes.
2. Determine if the adjustment reason code is listed in the Appendix.

9529- ARC 15 (Marginal Property True Up) is invalid for Indian leases

1. Look at the document and determine if it is a Federal document or an Indian document.
2. If the document is Indian, determine the appropriate ARC to be reported.

9605- An estimate balance exists so the ARC must be 32

1. If an estimate was set up previously for a specific Payor/Lease combination, an ARC 32 must be used.

9607- An estimate balance does not exist so the ARC must be blank

1. If a reporter has not previously reported estimates for a specific Payor/Lease combination, an ARC 32 is not required.

9609 ARC 16
(Major Portion)
valid only for non-
index Indian leases
with gas product

1. Look at the document and determine if it is a Federal document or an Indian document.
2. ARC 16 can only be used for Indian non-index leases with a gas product code. Call your error correction analyst to find out if your lease is index or non-index in our system.

9610- Fund
Adjustment Record
must exist for ARC
16

1. The fund adjustment record is in a table maintained by Indian Compliance. If this error occurs, contact the person in Indian Compliance maintaining the table to find out if the lease is listed in the table for this company.
2. If it is not, Indian Compliance will add the lease and/or payor to the table if the lease is applicable to True-Up. When the lease and/or payor has been added to the table, the line will clear.
3. If the lease is not applicable to True-Up, determine the appropriate ARC to be reported.

9641- Agreement
Number is required
for ARC 15
(Marginal Property
True-Up)

1. Go to Data Elements by Transaction Code table and find the reported TC. Compare the fields on the detail line with the fields on the table.
2. If the ARC is 15, an agreement number is required on the line. Determine if the agreement number is missing and needs to be added to the line, or if a valid ARC other than 15 needs to be used.

Sales Volume

The *Minerals Revenue Reporter Handbook* describes the “sales volume” as the volume of the product sold or removed from the lease or lease/agreement combination. The sales volume is measured in units depending on the product being reported. A sales volume is only required for royalty lines attributable to sales, not lease-level transactions such as rents, well fees, minimum royalties, recoupable balances, and estimate (“Data Elements by Transaction Code”). Reporters should report the volume that they are responsible for reporting royalties to ONRR.

Takes or Entitlements

Two methods exist to report sales: takes and entitlements.

ONRR defines “takes” as the actual volume of production sold or removed from the lease or lease agreement combination.

Formula = Actual Production Volume x F/I mineral ownership interest

ONRR defines “entitlements” as the volume of production sold or removed from the agreement allocated back to the lease(s) in the agreement under the approved BLM allocation schedule. The allocation schedule, which contains tract allocations per the approved leases, is received from BLM, logged, and input into the ONRRFS by the Reference Data Team. The allocations can be viewed in ONRRFS in the Subdivision screen.

Formula = Total Production Volume x Tract Allocation x F/I Mineral Ownership Interest x Company’s Working Interest

Reporting by Lease Type

The lease type being reported determines how a reporter should report to ONRR.

- For Indian leases
 - Report “takes” for all lease production.
 - Report “entitlements” for all agreement production.
- For Federal leases
 - Report “takes” for all lease production OR for 100% Federal agreements.
 - Note:** A Federal agreement is an agreement containing only Federal leases, and all leases within the agreement have the same royalty rate and same distribution (revenue is distributed to the same State or surface management agency).
 - A query is posted on the ONRR web site of agreements that are considered 100% Federal
 - Report “entitlements” for any mixed agreement

Note: A mixed agreement is defined by ONRR as any agreement that does NOT qualify as a 100% Federal Agreement as defined above. In essence, the total acres within the agreement boundaries are part Federal, part fee, or part Indian.

When reporters pay royalties to ONRR, they are only responsible for paying on the Federal or Indian portion. Therefore, ONRR only wants the volumes and values attributed to those royalties reported on the royalty line.

Division Order Percent (DOP)

Division Order Percent (DOP) is a term used by industry to determine the ONRR portion. The DOP is the combined total for the F or I Mineral Ownership Interest x Tract Allocation (if applicable) x Lease Royalty Rate x Company's Working Interest. Reporters sell their production to purchasers, and purchasers pay them revenues. Reporters distribute the revenues – usually in the form of a check – to the interest holders, based on their entitled interest. The ONRR is considered an interest holder.

When working with reporters to determine the correct volumes to report, consider that they may have paid the correct royalties based on the DOP, but reported all the volume when they should have reported only the Federal or Indian portion associated with the royalties. When they begin explaining how they arrived at the volumes and values reported, listen to whether they use the term “DOP.” Because the DOP includes a royalty rate, you cannot apply the DOP to the volumes reported on the line. The DOP must be separated into its respective components and applied to individual fields based on what is being reported. To determine the ONRR portion of the DOP, divide the DOP by the royalty rate. The result is the ONRR portion to be taken against the sales volume.

Units of Measurement for Products

Product	Code(s)	Unit of Measurement
Oil, Condensate, Plant Inlet Scrubber, Other	01, 02, 05, 06, 14, 20	Barrels
Residue, Unprocessed Gas	03, 04	Mcf with MMBtu
Coalbed Methane	39	Mcf with MMBtu
Flash Gas, Fuel Gas, Gas Lost	12, 15, 16	Mcf with MMBtu
Gas Plant Products	07	Gallons
Nitrogen, Carbon Dioxide Gas, Helium	09, 17, 22	Mcf with no MMBtu
Sulfur	19	Long tons (2,240 lbs)
Geothermal – Electrical Generation - kWh	31	kWh
Geothermal – Electrical Generation - lbs	32	Thousands of Pounds
Geothermal – Direct Utilization	36	Hundreds of Gallons

Sales Volume System Edits

ONRR uses system edits to determine the validity of the data reported on Form 2014. A list of edits for the sales volume is as follows:

- 9536 – Sales Vol must be positive if the ARC is blank and the RVPA is positive
- 9538 – Sales Vol must be negative if the ARC is not blank and the RVPA is negative
- 9598 – Sales Volume cannot be zero
- 9601 – Sales Volume must be positive if the Sales Value is positive
- 9658 – Sales Volume must be zero

Edit Specifications

Edit Number	Edit Attached to TC	Edit Description
9536	01, 06, 10, 18, 19, 31, 37, 38, 40, 53, 54	If the RVPA is ≤ 2.00 or ≥ -2.00 , the edit is bypassed. If the sales volume is negative and the RVPA is positive and the ARC is blank, error occurs.
9538	01, 06, 10, 18, 19, 31, 37, 38, 40, 53, 54	If the RVPA is ≤ 2.00 or ≥ -2.00 , the edit is bypassed. If the sales volume is negative and the RVPA is negative and the ARC is blank, error occurs.
9598	01, 06, 10, 18, 19, 31, 37, 38, 39, 40, 41, 43, 53, 54, 44, 45, 46, 47, 48, 49	If the RVPA ≤ 2.00 or ≥ -2.00 , then the edit is bypassed. Checks to see if sales value is populated. If it is, it checks to see if the sales volume is populated. If the sales volume is zero or blank, error occurs.
9601	39, 41, 43, 44, 45, 47, 48, 49	If sales volume is not zero, error occurs. Sales volume is not required for the TC
9658	02, 03, 04, 05, 07, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 25, 32, 33, 42, 50, 51, 52, 53	Checks to see if sales volume is populated, if sales volume is populated, error occurs.

Error Correction for Sales Volume Edits

9536– Sales Vol must be positive if the ARC is blank and the RVPA is positive

1. Check for an ARC on the line.
2. If no ARC has been reported, compare the sign on the sales volume with the sign on the RVPA.
3. If the signs don't match, log into the ONRR Data Warehouse and run a Standard Royalty Report by lease and sales month to determine whether there is an offsetting line accepted in the history. If there is an offsetting line, scan the documentation and send it to the error correction analyst. Prepare an override.
4. If there is not an offsetting line the line cannot be overridden.

9538– Sales Vol must be negative if the ARC is not blank and the RVPA is negative

1. Check for an ARC on the line.
2. If no ARC has been reported, log into the ONRR Data Warehouse, run a Standard Royalty Report by, lease, and sales month to determine if there is an offsetting line accepted in the history.
3. If an offsetting line is found and is an exact match, determine an appropriate ARC to add to the rejecting line. When an ARC has been determined, make the necessary correction.
4. If there is not an offsetting line the line cannot be overridden.

9598– Sales Volume cannot be zero

1. Check the line for the TC being used. If it is one of the TC's listed above and related to this edit, check for an amount in the sales value field.
2. If an amount is present, check for an amount in the sales volume. If the sales volume is zero or blank, provide an amount for the sales volume.

9601– Sales Volume must be positive if the Sales Value is positive

1. Check the line for the TC being used. If it is one of the TC's listed above and related to this edit, check for an amount in the sales volume field.
2. If the TC is correct, remove the sales volume to clear the error.

9658– Sales Volume must be zero

This error occurs on lease-level transactions such as rent or rent recoupment, estimate, well fee, etc., when a sales volume has been reported.

1. Go to Data Elements by Transaction Code, and compare the fields required for the reported transaction code to determine whether the fields look consistent with the required fields for the transaction code.
 - If so, remove the sales volume to clear the line.
 - If not, log into the data warehouse to see if there is a reversing line. If there is a reversing line, prepare an override and contact your error correction analyst.

Gas MMBtu

The *Minerals Revenue Reporter Handbook* describes “gas MMBtu” as the MMBtu contained in the gas stream when sold or removed from the lease or from the lease-agreement combination. If product codes 03, 04, 12, 15, 16, or 39 have been reported, the sales volume and gas MMBtu must also be reported. The *Minerals Revenue Reporter Handbook* also describes several fields used in the royalty value calculation. The fields used in investigating errors dealing with the Gas MMBtu are listed and described below.

- **Sales Volume**
The sales volume for gas is usually in mcf and is used to calculate the gas MMBtu. ONRR is paid based on the grade of gas produced. The gas MMBtu equals the sales volume multiplied by the Btu factor divided by 1000.
- **Sales Value**
The gas MMBtu is used to calculate the sales value. Sales value equals the gas MMBtu multiplied by the price per unit.

Gas MMBtu System Edits

ONRR uses system edits to determine the validity of the data reported on Form 2014. A list of edits that deal with gas MMBtu is as follows:

- 9602 – Gas MMBTU must not be reported for the specified Product Code
- 9603 – Gas MMBTU must be reported for the specified Product Code
- 9657 – The sign on the Gas MMBTU must match the sign on the RVPA
- 9659 – Gas MMBTU must be zero

Edit Specifications

Edit Number	Edit Attached to TC	Edit Description
9602	01, 06, 10, 31, 37, 38, 39, 40, 41, 43, 44, 45, 46, 47, 48, 49	If Product Code reported on line is not 03, 04, 12, 15, 16, or 39 and the Gas MMBtu field is not blank, error occurs.
9603	01, 06, 10, 31, 37, 38, 39, 40, 41, 43, 44, 45, 46, 47, 49	If the RVPA is ≤ 2.00 or ≥ -2.00 , the edit is bypassed. If Product Code reported on line is 03, 04, 12, 15, 16, or 39 and the Gas MMBtu field is blank, error occurs
9657	01, 06, 10, 31, 37, 38, 40, 43, 46, 49	Compares the sign of the Gas MMBtu reported to the RVPA reported. If the signs do not match, error occurs.
9659	02, 03, 04, 05, 07, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 25, 32, 33, 42, 50, 51, 52, 53, 54	Looks at the TC. If it is one of the TC's listed to the right, and the Gas MMBtu field is populated, error occurs.

Error Correction for Gas MMBtu Edits

9602– Gas MMBTU must not be reported for the specified Product Code

1. Look at Product Code field. If the reporter is reporting oil products and the product code is not 03, 04, 12, 15, 16, or 39, then the reporter is reporting oil products but reporting a Gas MMBtu. Determine what product code should be used.
2. If oil then remove the Gas MMBtu and clear the line. .

9603– Gas MMBTU must be reported for the specified Product Code

1. Look at product code field. If the reporter is reporting oil products and the product code is not 03, 04, 12, 15, 16, or 39, then the reporter is reporting oil products but not reporting a Gas MMBtu.
2. Determine what product code should be used.
3. If gas then enter a Gas MMbtu. (formula = sales volume x btu factor divided by 1000.
4. If product code is incorrect then change product code and clear the line.

9657– The sign on the Gas MMBTU must match the sign on the RVPA

1. Determine why the signs are mixed on the line. Check ONRR Data Warehouse to see if a reversing line can be found.
2. If a reversing line is found then scan the documentation and send to the error correction analyst. Prepare override.
3. If no reversing line is found then fix the mixed sign and clear the line.

9659– Gas MMBTU must be zero

1. Look at the transaction code and see if it matches the Data Elements by Transaction Code chart, then see if it matches the pattern for a lease-level transaction code.
2. If you are reporting a lease-level transaction then remove the Gas MMBtu.

Sales Value

The *Minerals Revenue Reporter Handbook* describes several fields that are used in the royalty price calculation. The fields used to investigate errors dealing with Sales Value errors are listed and described below.

Sales Value

If you report product codes 03, 04, 12, 15, 16, or 39, use the MMBtu price. Sales value equals gas MMBtu multiplied by price. If you report any other oil or gas product codes, use the bbl, Mcf, gal, and long ton price. Sales value equals sales volume multiplied by price. See 30 CFR 206 and the *Oil and Gas Payor Handbook, Volume III—Product Valuation* for specific guidance on valuation.

If you report Indian leases for gas prices in an index zone, or for monthly major portion prices and due dates, see Appendix A of the *Minerals Revenue Reporter Handbook*.

If you report geothermal production, see the *Geothermal Payor Handbook—Product Valuation* for specific reporting guidance.

Royalty Value Prior to Allowances

This field must be completed. Royalty Value Prior to Allowances is the sales value multiplied by the royalty rate.

Geothermal reporters: This field applies only to geothermal byproduct royalties. It is critical that you use the correct royalty rate when calculating your payment to ONRR.

The lease royalty rate is specified in the lease terms. However, your royalty rate may be modified by various royalty relief programs. Do not confuse royalty rate with your division order percent (DOP). The royalty rate is a *component* of the DOP. If you are uncertain of the royalty rate, contact a Reporting Services representative. (Refer to Appendix A of the *Minerals Revenue Reporter Handbook*.)

Sales Value System Edits

ONRR uses system edits to determine the validity of data reported on Form 2014. A list of edits that deal with Sales Value is as follows:

- 9561 – Sales Value must be positive if ARC is zero and the RVPA is positive
- 9563 – Sales Value and RVPA must have the same sign
- 9565 – The RVLA must be zero
- 9612 – Fed Sales Val/Vol not within price limits for specified product code
- 9613 – Fed Gas MMBtu Val/Vol not within price limits for specified product code
- 9614 – Ind Sales Val/Vol not within price limits for specified product code
- 9615 – Ind Gas MMBtu val/vol not within price limits for specified product code
- 9665 – Sales Value must be zero
- 9666 – Sales Value cannot be zero

Edit Specifications

Edit Code	Edit Attached to TC	Edit Procedure
9561	01, 06, 10, 31, 37, 38, 40, 53, 54	If RVPA is positive, the Sales Value is negative and the ARC is blank, error occurs.
9563	01, 06, 10, 31, 37, 38, 40, 42, 53, 54	Compares the sign reported on the Sales Value with the sign reported on the RVPA. If they don't match, error occurs.
9565	20, 39, 41	If the Royalty Value Less Allowances is populated, error occurs.
9612	01, 06, 10, 37, 38, 40, 41, 53, 54	<p>If the RVPA is ≤ 2.00 or ≥ -2.00, the edit is bypassed.</p> <p>If Fed/Ind indicator is Federal, the product is oil and Sales Volume has been reported, divide the Sales Value by the Sales Volume to get a price per unit.</p> <p>Compares the unit price with the unit price tolerance in PeopleSoft system. If the calculated unit price is below or above the unit price tolerance, error occurs.</p>

Edit Code	Edit Attached to TC	Edit Procedure
9613	01, 06, 10, 37, 38, 40, 41	<p>If the RVPA is ≤ 2.00 or ≥ -2.00, the edit is bypassed.</p> <p>If Fed/Ind indicator is Federal, the product is gas and Gas MMBtu has been reported, divide the Sales Value by the Gas MMBtu to get a price per unit.</p> <p>Compares the unit price with the unit price tolerance in PeopleSoft system.</p> <p>If the calculated unit price is below or above the unit price tolerance, error occurs.</p>
9614	01, 06, 10	<p>If the RVPA is ≤ 2.00 or ≥ -2.00, the edit is bypassed.</p> <p>If Fed/Ind indicator is Indian, the product is oil and Sales Volume has been reported, divide the Sales Value by the Sales Volume to get a price per unit.</p> <p>Compares the unit price with the unit price tolerance in PeopleSoft. If the calculated unit price is below or above the unit price tolerance, error occurs.</p>
9615	01, 06, 10, 31	<p>If the RVPA is ≤ 2.00 or ≥ -2.00, the edit is bypassed.</p> <p>If Fed/Ind indicator is Indian, the product is gas and Gas MMBtu has been reported, divide the Sales Value by the Gas MMBtu to get a price per unit.</p> <p>Compares the unit price with the unit price tolerance in PeopleSoft. If the calculated unit price is below or above the unit price tolerance, error occurs.</p>
9665	02, 03, 04, 05, 07, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 25, 32, 33, 50, 51, 52	<p>If Sales Value is populated, error occurs.</p>
9666	01, 06, 10, 31, 37, 38, 39, 40, 41, 52, 53, 54	<p>If the lease is a solids lease (has a mineral production code other than 01 or 03) and if the Calculation Method on the lease is M or U exit the edit. If sales Value is zero then error</p>

Error Correction for Sales Value Edits

9561– Sales Value must be positive if ARC is zero and the RVPA is positive

Check for an ARC on the line. If no ARC has been reported, compare the sign on the sales value with the sign on the RVPA.

- Change the sales value from a negative to a positive.
- Check ONRR data warehouse for reversing line. If reversing line is found fill in the ARC with the appropriate code. Scan documentation and send to error correction analyst. Prepare override.

9563– Sales Value and RVPA must have the same sign

Check for an ARC on the line. If no ARC has been reported, log into the ONRR Data Warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.

- If an offsetting line is found and is an exact match, determine an appropriate ARC to add to the rejecting line.

9565– The RVLA must be zero

Look at Royalty Value Less Allowance. If there is a value, look at the transaction code and compare the line to the Data Elements by Transaction Code.

9612 Fed Sales Val/Vol not within price limits for specified product code

Calculate the price that was reported (sales value divided by sales volume).

- If the amount is not reasonable for oil pricing, determine whether the reported product code is incorrect. Was there a Gas MMBtu reported? If so, chances are that the product code is incorrect. Change the product code to clear the line.
- If the amount is reasonable, determine which volumes or values might be wrong. Look at the run tickets to assure the correct price was used.
- If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
- Scan documentation and send to error correction analyst. Prepare override.

9613– Fed Gas
MMBtu Val/Vol not
within price limits
for specified product
code

Calculate the price that was reported (sales value divided by gas MMBtu).

- If the amount is reasonable for gas prices, determine whether the wrong product code was entered. Is there a Gas MMBtu reported?
- If the amount is not reasonable for gas prices determine which volumes or values might be wrong. If the RVLA is correct but one of the other fields is incorrect, fix the error.
- If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
- Scan documentation and send to error correction analyst. Prepare override.

9614– Ind Sales
Val/Vol not within
price limits for
specified product
code

Calculate the price that was reported (sales value divided by sales volume).

- If the amount is not reasonable for oil pricing, determine whether the reported product code is incorrect. Was there a Gas MMBtu reported? If so, chances are that the product code is incorrect. Change the product code to clear the line.
- If the amount is reasonable, determine which volumes or values might be wrong. Look at the run tickets to assure the correct price was used.
- If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
- Scan documentation and send to error correction analyst. Prepare override.

9615– Ind Gas
MMBtu val/vol not
within price limits
for specified product
code

Calculate the price that was reported (sales value divided by gas MMBtu).

- If the amount is reasonable for gas prices, determine whether the the wrong product code was entered. Is there a Gas MMBtu reported?
- If the amount is not reasonable for gas prices determine which volumes or values might be wrong. If the RVLA is correct but one of the other fields is incorrect, fix the error.
- If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
- Scan documentation and send to error correction analyst. Prepare override.

9665– Sales Value
must be zero

- Compare the transaction code to the Data Elements by Transaction Code and see what if the wrong Transaction Code was used.
- If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
- Scan documentation and send to error correction analyst. Prepare override.

9666– Sales Value
cannot be zero

- Compare the transaction code to the Data Elements by Transaction Code. Does it match the pattern for a lease-level transaction code but have something in the sales value? If so, remove the sales value.
- Does the line look like a royalty line? If so, enter the sales value.
- If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
- Scan documentation and send to error correction analyst. Prepare override.

Allowances

The *Minerals Revenue Reporter Handbook* describes several fields used in reporting transportation allowances. Those fields are listed and described below.

Royalty Value Prior to Allowances

This is the result of sales value multiplied by royalty rate. **Geothermal reporters:** This field applies only to geothermal by product royalties. It is critical that you use the correct royalty rate when calculating your payment to ONRR. The lease royalty rate is specified in your lease terms. However, your royalty rate may be modified by various royalty relief programs. Do not confuse royalty rate with division order percent (DOP). The royalty rate is a *component* of DOP.

Transportation Allowance Deduction

This is a deduction from royalty due for reasonable, actual costs of transporting production from the lease to a sales point or point of value determination off the lease. For specific guidelines, see 30 CFR 206 and the *Oil and Gas Payor Handbook, Volume III—Product Valuation*. ONRR encourages you to report the transportation allowance deduction as part of your royalty transaction. If you are reporting a transportation allowance deduction associated with a royalty-in-kind (RIK) lease, see Chapter 8. **Geothermal reporters:** This field applies only to geothermal byproduct royalties.

Processing Allowance Deduction

This is a deduction from royalty due for reasonable, actual costs of extracting and recovering gas plant products from a gas stream. For specific guidelines, see 30 CFR 206 and the *Oil and Gas Payor Handbook, Volume III—Product Valuation*. ONRR encourages you to report the processing allowance deduction as part of your royalty transaction. **Geothermal reporters:** This field does not apply to geothermal resources.

Royalty Value Less Allowances

This is the royalty value after you deduct transportation and/or processing allowances.

Allowances System Edits

ONRR uses system edits to determine the validity of the data reported on the Form 2014. A list of edits that deal with allowances is as follows:

- 9633 – Transportation Allowance cannot be reported
- 9636 – Trans Allowance cannot be reported for Offshore Continental Shelf Sec 6 Leases
- 9655 – Transportation Allowance must be negative unless an ARC is reported
- 9662 – Transportation Allowance cannot be zero

- 9634 – Processing Allowance cannot be reported
- 9637 – Processing Allowance is invalid for the Product Code
- 9638 – Processing Allowance cannot be reported for a Product Type of Oil
- 9656 – Processing Allowance must be negative
- 9663 - Processing allowance cannot be zero

Edit Specifications

Edit Code	Edit Attached to TC	Edit Procedure
9633	02, 03, 04, 05, 06, 07, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 25, 31, 32, 33, 37, 38, 41, 42, 50, 51, 52, 53, 54	If the Transaction Code reported is any one of the codes listed to the left and there is a transportation allowance reported on the line, error occurs.
9636	01, 11, 43, 46, 49	Checks the system for Section 6 leases. If the lease is Section 6 and Transportation Allowance has been reported, error occurs. (Edit has been downgraded to warning.)
9655	01, 10, 11, 39, 40	If the Transportation Allowance reported on the line is positive and no ARC is used, error occurs.
9662	11	If the Transaction Code is 11 and the transportation allowance is zero, error occurs.
9634	02, 03, 04, 05, 06, 07, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 25, 31, 32, 33, 37, 38, 41, 42, 50, 51, 52, 53, 54 , 44, 45, 47, 48, C1, C2, C3, C4	If the Transaction Code reported is any one of the codes listed to the left and processing allowance has been reported on the line, error occurs.
9637	01, 15, 43, 46, 49	If the product code is not 07 and processing allowance has been reported on the line, error occurs.
9638	01, 10, 15, 43, 46, 49	If product code is product type of oil, error occurs.
9656	01, 10, 15, 39, 40, 43, 46, 49	If the Processing Allowance reported is positive and no ARC is used, error occurs.
9663	15	If the Transaction Code is 15 and the processing allowance is zero, error occurs.

Error Correction for Allowances Edits

9633 –
Transportation
Allowance cannot be
reported

- Look at the Data Elements by Transaction Code chart to see if the transaction being reported allows Transportation Allowance.
- If the transaction does not allow transportation allowance remove the transportation allowance.
- Determine if the line can be corrected.
- If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
- Scan documentation and send to error correction analyst. Prepare override.

9636 – Trans
Allowance cannot be
reported for Offshore
Continental Shelf
Sec 6 Leases

This edit has been temporarily disconnected.

9655 –
Transportation
Allowance must be
negative unless an
ARC is reported

Transportation allowances are natural negatives. If a transportation allowance is reported positive, then it must have an Adjustment Reason Code to show that it is reversing data.

1. Look in the ONRR Data Warehouse for a reversing line.
2. If you find one, add an appropriate adjustment reason code and validate. If line does not clear go to next step.
3. If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
4. Scan documentation and send to error correction analyst. Prepare override.

9662 –
Transportation
Allowance cannot be
zero

Check the transaction code used on the line. It should be an 11.

1. If it is a Transaction Code 11, check to be sure the allowance was placed in the Transportation Allowance field.
2. If it is not 11, look at the Data Element by Transaction Code chart to determine what type of transaction should be reported.

9634 – Processing Allowance cannot be reported

1. Look at the Data Elements by Transaction Code chart to see if the transaction being reported allows Processing Allowance.
2. If the transaction does not allow processing allowance, determine if the transaction is being reported incorrectly.

9637 – Processing Allowance is invalid for the Product Code

Processing Allowance can only be taken if product code is 07, 19, 17, or 22, unless the lease has an extraordinary provision.

1. Check the product code reported on the line. If it is not 07, 19, 17, or 22, contact the company to determine what they are trying to report.
2. If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
3. Scan documentation and send to error correction analyst. Prepare override.

9638 – Processing Allowance cannot be reported for a Product Type of Oil

Processing Allowance can only be taken on gas products.

1. Check the product code reported on the line. If it is an oil product, determine if this is really what you wanted to report.
2. If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
3. Scan documentation and send to error correction analyst. Prepare override.

9656 – Processing Allowance must be negative

Processing allowances are natural negatives. If a processing allowance is reported positive, then it must have an Adjustment Reason Code to show that it is reversing data.

1. Look in the ONRR Data Warehouse for a reversing line.
2. If you find one, enter an appropriate adjustment reason code. Run validation and try to clear the line.
3. If it does not clear. Scan documentation and send to error correction analyst. Prepare override.

9663 – Processing allowance cannot be zero

Check the transaction code used on the line. It should be a 15.

1. If it is 15, check to be sure the allowance was placed in the Processing Allowance field.
2. If it is not 15, determine what type of transaction should be reported.

Royalty Value

The *Minerals Revenue Reporter Handbook* describes several fields that are used in the royalty value calculation. The fields used in investigating errors dealing with the Royalty Value errors are listed and described below.

Sales Value

Equals gas MMBtu multiplied by price. If you report any other oil or gas product codes, use the bbl, Mcf, gal, or long ton price. Sales value equals sales volume multiplied by price. See 30CFR 206 and the *Oil and Gas Payor Handbook*, Volume III – Product Valuation for specific guidance on valuation.

If you report Indian leases, or for gas prices in an index zone, or for monthly major portion prices and due dates, see Appendix A.

If you report Geothermal production, see Chapter 7 of this handbook or the *Geothermal Payor Handbook – Product Valuation* for specific reporting guidance.

Royalty Value Prior to Allowances

This is an optional field that may be completed or left blank. It contains the result of the sales value multiplied by the royalty rate.

Geothermal reporters: This field applies only to geothermal by product royalties. It is critical that you use the correct royalty rate when calculating your payment to ONRR.

The lease royalty rate is specified in your lease terms. However, your royalty rate may be modified by various royalty relief programs. Do not confuse royalty rate with your division order percent (DOP). The royalty rate is a component of DOP. If you are uncertain of your royalty rate, contact Reporting Services (for contact information, see Appendix A).

Transportation Allowance Deduction

A deduction from royalty due for the reasonable, actual costs of transporting production from the lease to a sales point or point of value determination off the lease. For specific guidelines, see 30 CFR 206 and the *Oil and Gas Payor Handbook*, Volume III – Product Valuation. ONRR encourages reporting transportation allowance deduction as part of royalty transactions. If you are reporting a transportation allowance deduction associated

with a royalty-in-kind (RIK) lease, see Chapter 8. **Geothermal reporters:** This field applies only to geothermal byproduct royalties.

Processing Allowance Deduction

A deduction from royalty due for the reasonable, actual costs of extracting and recovering gas plant products from a gas stream. For specific guidelines, see 30 CFR 206 and the *Oil and Gas Payor Handbook*, Volume III – Product Valuation. ONRR encourages reporting of processing the allowance deduction as part of royalty transactions.

Geothermal reporters: This field does not apply to geothermal resources.

Royalty Value Less Allowances

Royalty value after deducting transportation and/or processing allowances.

Royalty Value System Edits

ONRR uses system edits to determine the validity of the data reported on Form 2014. A list of edits that deal with royalty valuation follows:

- 9574 – RVLA must be positive if the ARC is zero
- 9575 – RVPA must be zero
- 9576 – The RVLA cannot be zero
- 9581 – Reported RVLA must equal the RVPA plus allowances
- 9611 – RVPA is invalid for the ARC
- 9668 – Transportation/Processing fields must have opposite signs of the RVLA
- 9570 – RVLA must be zero or positive
- 9571 – The RVLA must be zero or negative
- 9572 – RVPA must be positive if the ARC is zero
- 9573 – RVPA must be negative if the ARC is zero
- 9616 – Implied federal royalty rate is not consistent with the lease royalty rate
- 9617 – Implied Indian royalty rate is not consistent with the lease royalty rate
- 9661 – Implied Royalty Rate (RVPA/Sale Value) cannot exceed 1.00
- 9669 – RVPA must match the RVLA

Edit Specifications

Edit Number	Edit Attached to TC	Edit Description
9574	01, 02, 03, 04, 05, 06, 10, 14, 16, 17, 18, 19, 31, 32, 37, 38, 40, 50, 53, 54	If ARC is null, or ARC is zero and Royalty Value Less Allowances is ≤ 0 , error occurs.
9575	20, 39, 41, 60, 11*, 15*, 66, 67, 70	Looks at Transaction Code Table. If TC reported is a match to TC on Table and RVLA is 0 equals Y, and Royalty Value Prior to Allowances is not equal to 0, error occurs. This edit will catch when the RVLA and Transportation/ Processing have different signs. When the signs are different, the RVPA is calculated and it will not be 0.
9576	01, 02, 03, 04, 05, 06, 07, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 25, 31, 32, 33, 37, 38, 40, 42, 50, 51, 53, 54	If TC reported is 06 and ARC reported is 20, do not perform edit. If Royalty Value Less Allowances = 0, error occurs.
9581	01, 06, 10, 31, 37, 38, 40, 53, 54, 02	Computation Error in Reported Royalty Value Less Allowances – error Computes $RVPA + \text{Transportation Allowance} + \text{Processing Allowance} = RVLA$
9668	01, 10, 39, 40	Compare the RVLA to the Processing field and Transportation field. If Processing field and/or Transportation field is ≥ 0 , then the sign of the RVLA must be opposite.
9570	21	If Royalty Value After Allowances is ≤ 0 , error occurs.
9571	22	If Royalty Value After Allowances is ≥ 0 , error occurs.
9572	01, 02, 03, 04, 05, 06, 10, 14, 16, 17, 18, 19, 31, 32, 37, 38, 40, 50, 53, 54	If Sales Value is within range, if ARC-Valid-Flag = Y and ARC = null or ARC = 0, and Royalty Value Prior to Allowances is ≤ 0 , then error.
9573	12, 25, 33, 42, 51, 52	TC's listed do not have Sales Value), if ARC-Valid-Flag = Y, and ARC is Num or ARC is 0, and Royalty Value Prior to Allowances is ≥ 0 , error occurs.

Edit Number	Edit Attached to TC	Edit Description
9616	01, 06, 10, 31, 40, 42	<p>If the RVPA is ≤ 2.00 or ≥ -2.00, the edit is bypassed.</p> <p>If Product Code reported on the line matches the Product Code Table and the Mineral Production = 01 or 03 and F/I indicator is Federal and Sales Value reported does not equal 0, then calculate the implied royalty rate based on the RVPA and the Sales Value reported on the 2014.</p> <p>Gets the royalty rate from all contracts/royalty provision</p> <p>Calculates the difference between the royalty rate on the royalty provision and the implied royalty rate. Round the difference to 6 decimals</p> <p>Checks the tolerance table for the acceptable tolerance for royalty rate (FRR)</p> <p>If difference is positive, the payor is paying more than they are obligated to pay. No error will display.</p> <p>If difference is negative, the payor is paying less than they are obligated to pay. Display error.</p>
9617	01, 06, 10, 31	<p>If the RVPA is ≤ 2.00 or ≥ -2.00, the edit is bypassed.</p> <p>If Product Code reported on the line matches the Product Code Table, and the Mineral Production equals 01 or 03, and the F/I indicator is Indian, and Sales Value reported does not equal 0, then calculate the implied royalty rate based on the RVPA and the Sales Value reported on the 2014.</p> <p>Gets the royalty rate from all contracts/royalty provision</p> <p>Calculates the difference between the royalty rate on the royalty provision and the implied royalty rate. Round the difference to 6 decimals</p> <p>Checks the tolerance table for the acceptable tolerance for royalty rate (IRR)</p> <p>If difference is positive, the payor is paying more than they are obligated to pay. No error will display.</p> <p>If difference is negative, the payor is paying less than they are obligated to pay. Display error.</p>
9661	01, 06, 10, 31, 40, 42	<p>Divides RVPA by Sales Value</p> <p>If RR is > 1, then error.</p>

Edit Number	Edit Attached to TC	Edit Description
9669	02, 03, 04, 05, 07, 12, 13, 14, 16, 17, 18, 19, 21, 22, 25, 31, 32, 33, 37, 38, 41, 42, 50, 51, 52, 53, 54	Compare the RVPA to the RVLA. If RVPA does not equal the RVLA then error.

Error Correction for Royalty Value Edits

9574 – RVLA must be positive if the ARC is zero

Royalty Value Less Allowances is a natural positive amount. If it is a negative amount, an adjustment reason code must be included on the line.

1. Look at the Data Elements by Transaction Code chart and find the TC that is reported on the line. See if it matches the pattern for reporting and whether the fields are negative or positive. (On the chart, negative fields are indicated by parenthesis.) For all of the TC's that are indicated for this edit, the RVLA will be a natural positive. If the line is being reported as an adjustment line, the reported fields including the RVLA may be negative, and the ARC field will be filled in.
2. Look at the line to see if the signs on the line are mixed. If so, it could possibly be an adjustment line for a previously rejected or accepted line but the reporter forgot to use an ARC.
3. If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
4. Scan documentation and send to error correction analyst. Prepare override.

9575 – RVPA must be zero

1. Look at the Data Elements by Transaction Code chart. Notice that all of the listed TC's do not have an RVLA or RVPA, except for 11 and 15.
2. If the rejected line shows an RVPA, make sure that the TC reported fits the reported fields. If it doesn't, it is possible the wrong TC could have been used.
3. If the TC is 11 or 15 and the RVPA is not blank, then double-check to see if the signs on the RVLA and allowance fields are the same. If so, correct the allowance field and clear the line.
4. If the TC is not 11 or 15 and it does match the chart, call the company and let them know that there should not be an RVPA.

9576 – The RVLA cannot be zero

Remove the RVPA and clear the line.

1. Look at the Data Elements by Transaction Code chart. Notice that all listed TC's must have an RVLA.
2. If the rejected line shows no RVLA, make sure the TC reported fits the reported fields. If it does not, the wrong TC could have been used.

9581 – Reported RVLA must equal the RVPA plus allowances

This edit computes the RVPA + Transportation Allowance + Processing Allowance = RVLA. Look at the RVPA, Transportation Allowance, Processing Allowance, and RVLA. There are several possibilities for this error.

1. Wrong TC. Does the TC reported match the Data Elements by Transaction Code chart? What TC does it match? If the RVPA matches the RVLA, that indicates a lease-level transaction. Change TC and clear the line.
2. The signs on the RVPA and RVLA don't match. Contact the company to determine which sign is incorrect. If changing the sign on the RVPA to match the RVLA does not affect the royalty rate calculation, change the sign on the RVPA and clear the line.

The signs on the RVLA and Allowance fields are the same. Determine how the line should have been reported. If changing the sign on the Allowances does not affect the royalty rate calculation, change the sign on the Allowances and clear the line.

The signs are all OK but the RVPA is incorrect. Subtract all the fields in reverse order to get the correct RVPA.

Example: $RVLA\ 100.00 - PROCESSING\ (+10.00) - TRANSPORTATION\ (+10.00) = 120.00.$

If this calculation does not affect the royalty rate calculation, enter the correct RVPA and clear the line.

9668 – Transportation/Processing fields must have opposite signs of the RVLA

Compare the RVLA to the Processing field and the Transportation field. If either the Processing field and/or Transportation field is ≥ 0 , the sign of the RVLA must be the opposite. This edit is to assure that the signs on the line are correct.

1. Check the Data Elements by Transaction Code to see what the signs should be.
2. If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
3. Scan documentation and send to error correction analyst. Prepare override.

9570 – RVLA must be zero or positive

TC 21 is a natural positive. The company uses it to project interest owed to ONRR. TC 21 is rare and can cause problems with the Interest Module. If their projection is incorrect, they attempt to reverse the original TC 21 in lieu of the amount shown on an interest invoice. This will cause the reversal to error.

9571 – The RVLA must be zero or negative

TC 22 is a natural negative. The company uses it to project interest owed to the company. TC 22 is rare and can cause problems with the Interest Module

9572 – RVPA must be positive if the ARC is zero

Royalty Value Prior to Allowances is a natural positive for specific TC's. If it is negative, an ARC must be included on the line.

1. Look at the Data Elements by Transaction Code chart and find the TC that is reported on the line. See if it matches the pattern for reporting and whether the fields are negative or positive. (On the chart, negative fields are indicated by parentheses.) For all TC's indicated for this edit, the RVLA will be a natural positive. If the line is reported as an adjustment line, the reported fields including the RVLA may be negative, and the ARC field will be filled in.
2. Look at the line to see if the signs on the line are mixed. If they are, it could possibly be an adjustment line for a previously rejected or accepted line but the user forgot to use an ARC. If you find one, add an appropriate ARC.
3. If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.

Scan documentation and send to error correction analyst. Prepare override.

9573 – RVPA must be negative if the ARC is zero

Royalty Value Prior to Allowances is a natural negative for specific TC's. If it is negative, an ARC must be included on the line.

1. Look at the Data Elements by Transaction Code chart and find the TC reported on the line. See whether it matches the pattern for reporting and whether the fields are negative or positive. (On the chart, negative fields are indicated by parentheses.) For all TC's indicated for this edit, the RVPA will be a natural negative. If the line is reported as an adjustment line, then reported fields including the RVPA will be positive and the ARC field will be filled in.
2. Look at the line to see if the signs on the line are mixed. If they are, it could possibly be an adjustment line for a rejected or accepted line but the reporter forgot to use an ARC.
3. Determine appropriate ARC and add it.
4. If this is a reversing line go to ONRR data warehouse, run a Standard Royalty Report by lease, and sales month to determine if there is an offsetting line accepted in the history.
5. Scan documentation and send to error correction analyst. Prepare override.

9616 – Implied Federal royalty rate is not consistent with the lease royalty rate

This is a Federal Oil/Gas, Geothermal royalty rate error.

1. Calculate the RR by dividing the Royalty Value Prior to Allowance by the Sales Value. This will give you the Royalty Rate. If Royalty Rate does not match the Royalty Rate on the Lease Contract look at the entire line to see how the user reported it. Is there an error regarding the lease? If so, it could be that the user reported the wrong lease. Once reference data corrects the lease number, look at the line again to see if the error cleared.
2. If the implied royalty rate value is nowhere near the correct royalty rate, it is possible the user is using the Division Order Percentage as the royalty rate. If so, the other fields will need to be corrected to reflect the correct amounts.
3. It is possible the RVPA is incorrect. Look at the $RVPA + Transportation + Processing = RVLA$. If it indicates an error was made in the math calculation, correct the RVPA and clear the line.

9617 – Implied Indian royalty rate is not consistent with the lease royalty rate

This is an Indian Oil/Gas, Geothermal royalty rate error.

4. Calculate the RR by dividing the Royalty Value Prior to Allowance by the Sales Value. This will give you the Royalty Rate. If

9661 – Implied Royalty Rate (RVPA/Sale Value) cannot exceed 1.00

Royalty Rate does not match the Royalty Rate on the Lease Contract look at the entire line to see how the user reported it. Is there an error regarding the lease? If so, it could be that the user reported the wrong lease. Once reference data corrects the lease number, look at the line again to see if the error cleared.

5. It is possible the RVPA is incorrect. Look at the $RVPA + Transportation + Processing = RVLA$. If it indicates an error was made in the math calculation, correct the RVPA and clear the line.
6. If the implied royalty rate value is nowhere near the correct royalty rate, it is possible the reporter is using the Division Order Percentage as the royalty rate. Determine if the RVLA is correct. If so, fix the other fields to reflect the correct amounts.
5. It is possible the RVPA is incorrect. Look at the $RVPA + Transportation + Processing = RVLA$. If it indicates an error was made in the math calculation, correct the RVPA and clear the line.

This can be either Federal or Indian.

1. Find the implied royalty rate. Compare it to the royalty rate listed on the contract.
2. Look at the entire line to see how the user reported it. Is there an error regarding the lease? If so, it could be the user reported the wrong lease.
3. Look at the line to see if the sales volume is .01. If it is, look for rolled-up reporting. The sales volume will be .01, the gas MMBtu will be .01, and the sales value should be the RVPA/Royalty Rate. Divide the RVPA by the royalty rate correct sales value and clear the line.
4. If the implied royalty rate value is nowhere near the correct royalty rate, it is possible the user is using the Division Order percentage as the royalty rate. Determine if the RVLA is correct. If so, the other fields to reflect the correct amounts. If it cannot be corrected, have them reverse and correct the line. If Indian, don't forget to remind them about the Indian Recoupment Rules.
5. It is possible that the RVPA is incorrect. Look at the $RVPA + Transportation + Processing = RVLA$. If it indicates an error was made in the math calculation, correct the RVPA and clear the line.

9669 – RVPA must match the RVLA

Look at the Data Elements by Transaction Code to see if the TC reported matches. For all lease-level transaction codes, the RVPA must be the same as the RVLA. .

1. – If the RVLA is correct, fix the RVPA and clear the line.
– If the RVPA is correct, fix the RVLA and clear the line.

Payment Method Code

The *Minerals Revenue Reporter Handbook* describes the Payment Method Code as a one-digit code identifying how and to whom you make the payment. This is the amount of payment due to ONRR. For a list of payment method codes, see Appendix G of the *Minerals Revenue Reporter Handbook* 3-21.

Payment Method Code System Edits

ONRR uses system edits to determine the validity of the data reported on Form 2014. A list of edits for the payment method code follows.

- 9520 – Payment Method must contain a valid value
- 9522 – CIRC lease type requires a Payment Method 02
- 9523 – Payment Method is inconsistent with the F/I Indicator
- 9584 – Must use Payment Method 04 for this TC
- 9585 – Payment Method 04 is invalid for this TC

Edit Specifications

Edit Number	Edit Attached to TC	Edit Description
9520	Common – runs on all detail lines	Checks for valid code. Required field
9522	Common – runs on all detail lines	Checks all contracts table/land categories for a land category of mixed, and if the F/I Land Classification on the lease is Indian, and if the PM is 02. If the PM

Edit Number	Edit Attached to TC	Edit Description
		is not 02, then error.
9523	Common – runs on all detail lines	Checks payment method/lease type xref table for valid payment method for particular leases.
9584	06	Looks at the Payment Method on the detail line. If it is not equal to 04, then error.
9585	01 ,02, 03, 04, 05, 07, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 25, 31, 32, 33, 37, 38, 39, 40, 41, 42, 50, 51, 52, 53, 54	Looks at the Payment Method on the detail line. If it is equal to 04, then error.

Error Correction for Payment Method Code Edits

9520 – Payment Method must contain a valid value

- Checks payment method field on the line for valid code. Refer to the list of valid codes in Appendix G of the *Minerals Revenue Reporter Handbook*.
- With a pull down menu this error does not occur in Ecommerce but does occur when reporting paper 2014.

9522 – CIRI lease type requires a Payment Method 02

Make sure the F/I indicator on the Header is Indian. Look at the lease number – it should begin with 002. If both of these are true, then change the payment method to 02. User must use a PM 02 for the Indian portion of a CIRI lease. CIRI leases are mixed and must be reported as both Indian and Federal on separate reports.

9523 – Payment Method is inconsistent with the F/I Indicator

Check payment method/lease type xref table for valid payment method for particular leases. The edit is telling you that the lease and the payment method do not agree.

- Federal documents can only be used on 01, 03
- Indian documents can only use payment methods 02, 05, 06, 07

9584 – Must use Payment Method 04 for this TC

This should be an RIK Lease.

- There are only a few Navajo leases that use RIK leases.
- If it is not a Navajo lease, do not report payment method 04.

9585 – Payment

Payment method 04 should only be used on RIK contracts.

Method 04 is invalid for this TC

- Check to see whether this is an RIK contract. If it is, then the transaction code is incorrect.

Lease Account Balance

In order to research and resolve Lease Account Balance (LAB) edits, you must understand that ONRR has defined several Transaction Codes to be reported at the lease level. This means the transactions are reported without an agreement number, product code, or sales type code, and there are no volumes or values associated with the transaction. The payments associated with these transactions are based on lease terms. The Transaction Codes that are reported at the lease level are also associated with Lease Account Balances.

Lease Account Balance System Edits

ONRR uses system edits to determine the validity of the data reported on the Form 2014. The following edits deal with the Lease Account Balance.

- 9578 – Estimate recoupment amount cannot be greater than current estimate balance
- 9580 – Recoupment not possible – insufficient summed amount

Edit Specifications

Edit Number	Edit Attached to TC	Edit Description
9578	03	Estimate recoupment amount reported on the line cannot be greater than the current estimate balance on the estimate lease account balance header.
9580	04, 05, 25, 32, 33, 50, 51, 52	If RVLA is greater than the lease account balance header, then error.

Error Correction for Royalty Value Edits

9578

1. Go to the ONRR Data Warehouse and to Lease Account Balances. Look at the Reported Amount on the header which is the bottom line total of the estimate account. The total is less than the recoupment being taken.
2. Change RVPA and RVLA to reflect correct estimate amount.

9580 – Recoupment not possible – insufficient summed amount

The recoupment amount reported on a line cannot be greater than the current balance on the lease account balance header.

1. In the ONRRFS, open Lease Account Balance.

The screenshot shows the PeopleSoft interface for 'LAB Detail'. The header information includes:

- LAB Acct Type: Rent
- Contract Number: 0490048710
- Contract Type: LEAS
- F/I Indicator: FED
- Total Open Billed Amt: 0.00
- Anniversary Date: 04/01/1967

The table below shows the LAB lines with columns for Select Detail, LAB Date, PM02 Reported Amt, Reported Amt Not PM02, Recoupment Amount, Summed Amount, Paid Amount, Amount Due, and Due Date.

Select Detail	LAB Date	PM02 Reported Amt	Reported Amt Not PM02	Recoupment Amount	Summed Amount	Paid Amount	Amount Due	Due Date
1	01/01/1984	0.00	20.00	0.00	20.00	20.00	20.00	01/01
2	01/01/1985	0.00	20.00	0.00	20.00	20.00	20.00	01/01
3	01/01/1986	0.00	20.00	0.00	20.00	20.00	20.00	01/01
4	01/01/1987	0.00	20.00	0.00	20.00	20.00	20.00	01/01
5	01/01/1988	0.00	20.00	0.00	20.00	20.00	20.00	01/01
6	01/01/1989	0.00	20.00	0.00	20.00	20.00	20.00	01/01

3. Look at the LAB dates and find the one that will match the sales month reported on the line. (For example, SM on the line is 12/2012, the lease year would be 01/01/2013.)
4. Look at the header information. The **Rptd Not PM2** amount is less than the recoupment being taken. Look at the recoupment amount. Has the recoupment already been taken?



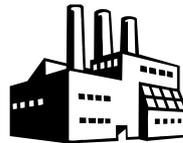
Emerging Initiatives: Improving Data Transparency

Extractive Industries Transparency Initiative (EITI)

President Obama announced the U.S. intention to implement EITI September 2011

Parallel disclosure from companies of what they have paid the government in royalties, rents, bonuses, taxes and other payments

Voluntary framework for governments to disclose revenues received from oil, gas and mining assets belonging to state



INDUSTRY
discloses
payments



EITI REPORT
payments are
independently
reconciled and verified



GOVERNMENT
discloses receipt of
payments





Implementation of EITI

- Dear Reporter Letter dated 6/20/2014 (attached)
 - In December 2014, the U.S. will unilaterally disclose Federal natural resources revenue by company, commodity, and revenue stream.
 - ONRR will be using the information reported by Federal lessees on Forms ONRR-2014 and ONRR-4430.
 - Report will include total payments made by each company in FY2013 in each of the four categories: royalties, rents, bonuses, and other revenues.



Payor Codes

- Many companies report revenues using more than one Payor Code, ONRR is in the process of consolidating payor codes
 - How are we consolidating?
 - Determining Parent Companies
 - LexisNexis Corporate Affiliations database
 - Research on publically available company data
 - SEC



Questions????

Questions regarding EITI and the publication of revenue data should be directed to:

Mr. Jon Swedin
Jonathan.Swedin@onrr.gov
303-231-3028

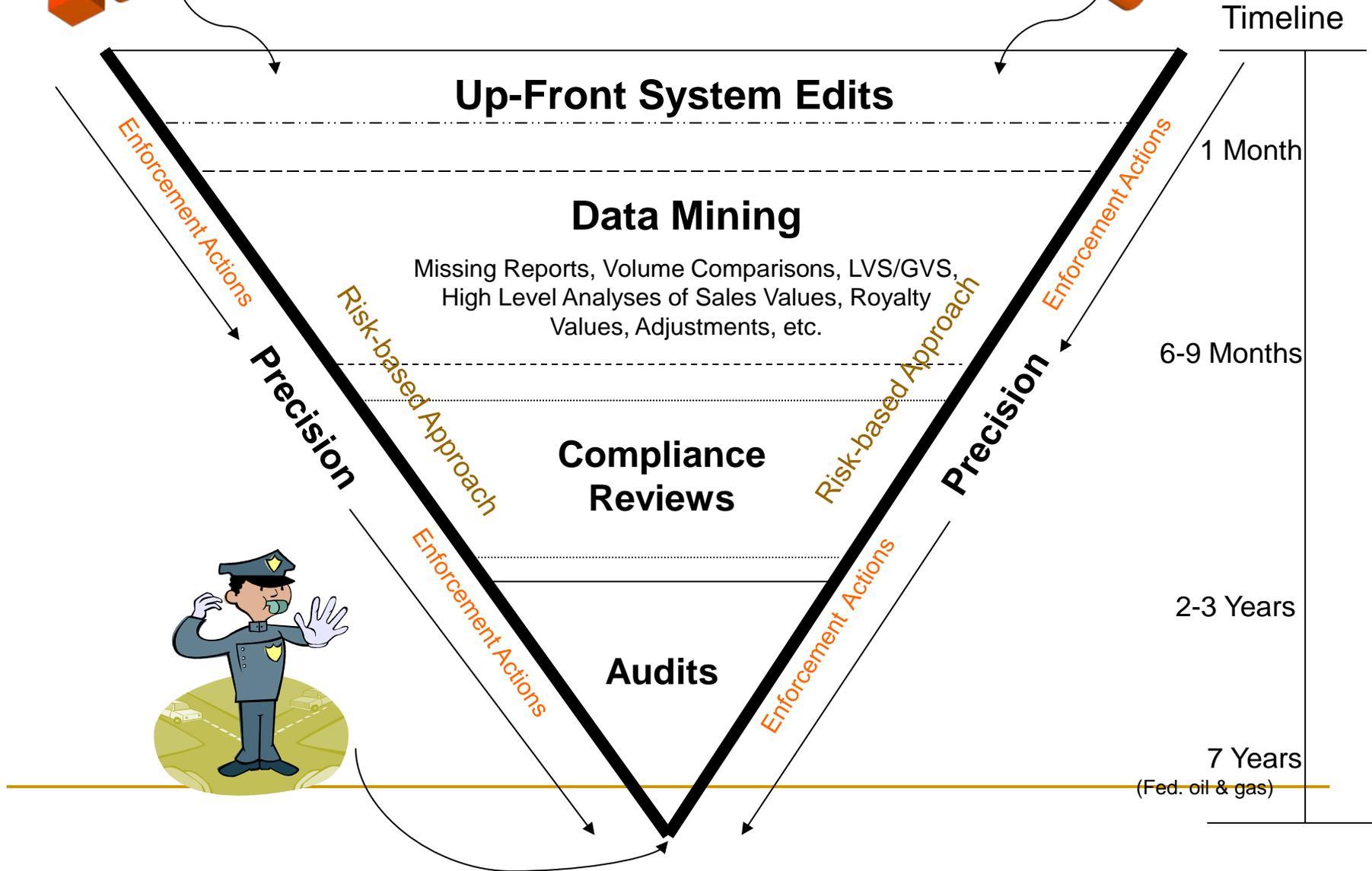
OR

Mr. Robert Kronebusch
Robert.Kronebusch@onrr.gov
303-231-3510

2014\$

ONRR DATA ACCURACY EFFORTS

OGORS



Financial Management

- Data Mining Processes
 - Volume Comparison
 - RSFA Statute of Limitation – Federal leases
 - Net Negatives
 - Agreement Approvals & Revisions
 - Repetitive reporting
 - Pricing – Offshore GOM oil
 - Processed Gas – PC 03 without 07 or 19
-

Financial Management

- What is Data Mining finding?
 - Missing reports and volumes
 - Invalid Adjustments
 - Duplicates
 - Correction of volumes w/o change in royalty values
 - Agreement misreporting
 - Missing Agreement Numbers
 - Incorrect reporting of allocations
 - Incorrect lease and/or agreement numbers
 - Lease level –vs- agreement level
 - Incorrect reporting of overlapping agreements
 - Invalid Deductions (i.e. marketable condition/field fuel)
 - 6 yr statute of limitations
-

Data Mining

- New Processes in FY 2014
 - Overlapping agreements project
 - Agreement Approvals & Revisions

 - Future Processes
 - Pricing review of additional commodities/areas
 - Approvals for venting and flaring
 - Chronic over sufficient royalty estimates and other chronic misreporting
 - Additional Adjustment Monitoring
 - Adjustments after closed audit periods
 - Original line monitoring
 - Duplicate adjustments
-

Data Mining Overrides

- If an override is requested due to an data mining request, email the following:
 - The data request
 - Once received, Royalty Error Correction analyst will send the lines to the Data Mining Analyst for approval to override.
 - NOTE: Royalty cannot override with data mining's consent – this can take awhile.
-



U.S. Department of the Interior

Office of Natural Resources Revenue (ONRR)

Form ONRR-4444, W-9, Mergers/Acquisitions, and Payor Codes

Presented by:

Lee-Ann Martin, Manager, Reporting and Solid Minerals Services



Industry Compliance

• *Accurate Revenues and Data* • *Professionalism & Integrity*



Form ONRR-4444

U.S. Department of the Interior
Office of Natural Resources Revenue

Exempt from the Paperwork Reduction Act of 1995
Requesting Only Identifying Information and Certification
See 5 CFR 1320.3(h) (1-1-01 Edition)

Addressee of Record Designation for Service of Official Correspondence Form ONRR-4444

Please see the Instructions for Form ONRR-4444 in a separate document.

New Modification Effective Date:

Company Name:

Payor Code or Operator Number:

Please mark the correspondence type(s) with which the address below is being associated:

- Royalty Reporting (Forms MMS-2014)
- Solid Minerals (P&R) Reports
- Rental courtesy notices
- Invoices: Financial terms (FIN)
- Invoices: Indian overrecoupment (IOR)
- Inspection Fees, Rigs
- Inspection Fees, Fixed
- Production Reporting (Forms MMS-4054/4058)
- Audit and compliance correspondence
- Enforcement notices
- Invoices: Rights of Way/Use and Easement (ROW/RUE)
- Invoices: Interest (INT)

Address of Record (for the function(s) checked above):

Line 1:

Line 2:

City: State: Zip:

Person to contact as Addressee of Record:

and/or

Title of position designated as Addressee of Record:

Phone: Ext: Fax:

E-mail Address:

Print the name and title of company
official making Addressee designation:

Signature:

Date:

Print Form



What not to submit for change of address

RSMS receives information that leads to **Request for Form ONRR-4444**:

- ❖ “Return to Sender” items
- ❖ “Address Corrections”
- ❖ “Notice to Mailer of Correction in Address”
- ❖ Change of Address letters and/or card





What should you remit?

Effective August 31, 2006, Federal Register Notice 71 FR 51749 issued a requirement that companies submit information designating a specific address or record for service of official correspondence on Form ONRR-4444, Address of Record Designation for Service of Official Correspondence.

The final rule became effective on November 29, 2006, can be found on the ONRR Web site at:

http://www.onrr.gov/laws_r_d/frnotices/PDFDocs/51749.pdf



Definitions of Terms

Address of record is the address to which official correspondence is served.

Addressee of record for service of official correspondence is the person or position to whom official correspondence is served, as specified on Form ONRR-4444, or in the absence of such a form, as established in § 1218.540(b)(2). The addressee of record in part 1290, subpart B, appeal will be the person or representative making the appeal.

Official correspondence is all correspondence from ONRR or our delegates, served on companies related to matters such as: forms reporting, audit and compliance, enforcement notices, rental courtesy notices, and invoices.



Problems encountered with submission of Form ONRR-4444

- ❖ Does not indicate if it is “NEW” or “MODIFICATION” or both is checked
- ❖ Effective Date is not filled in
- ❖ Company name does not match payor code or operator code
- ❖ Multiple Payor Codes are listed
- ❖ Every box on form is checked

U.S. Department of the Interior
Office of Natural Resources Revenue

Exempt from the Paperwork Reduction Act of 1995
Requesting Only Identifying Information and Certification
See 5 CFR 1320.3(h) (1-1-01 Edition)

Addressee of Record Designation for Service of Official Correspondence Form ONRR-4444

Please see the Instructions for Form ONRR-4444 in a separate document.

New Modification Effective Date:

Company Name:

Payor Code or Operator Number:

Please mark the correspondence type(s) with which the address below is being associated:

- | | |
|--|---|
| <input type="checkbox"/> Royalty Reporting (Forms MMS-2014) | <input type="checkbox"/> Production Reporting (Forms MMS-4054/4058) |
| <input type="checkbox"/> Solid Minerals (P&R) Reports | <input type="checkbox"/> Audit and compliance correspondence |
| <input type="checkbox"/> Rental courtesy notices | <input type="checkbox"/> Enforcement notices |
| <input type="checkbox"/> Invoices: Financial terms (FIN) | <input type="checkbox"/> Invoices: Rights of Way/Use and Easement (ROW/RUE) |
| <input type="checkbox"/> Invoices: Indian overrecoupment (IOR) | <input type="checkbox"/> Invoices: Interest (INT) |
| <input type="checkbox"/> Inspection Fees, Rigs | |
| <input type="checkbox"/> Inspection Fees, Fixed | |



Form ONRR-4444 Improvements

ONRR has formed an Internal Working Group. This group will:

- Establish a mechanism for industry to maintain this data in ONRR's systems
- Streamline and automate the Form ONRR-4444 so that industry can maintain their addresses of record in ONRR's system
- Amend the regulations to mandate entities submit and maintain the ONRR-4444 and add/delete payor codes based on mergers and acquisitions

Why automate:

- Industry has asked for access to the addresses within ONRR's Customer Database.



Location of Form 4444

Form ONRR-4444 and instructions can be found at:
<http://www.onrr.gov/ReportPay/Forms/default.htm>





W-9 Filing

The Debt Collection Improvement Act of 1996 (31 U.S.C. § 7701) requires the Office of Natural Resources Revenue (ONRR) to collect a Taxpayer Identification Number (TIN) from all persons with whom we do business. We request your cooperation in completing and sending an Internal Revenue Service (IRS) Form W-9 with an Employer Identification Number (Federal tax ID number) to ONRR. You may obtain a Federal tax ID number on line from the IRS or by filing an IRS Form SS-4, Application for Employer Identification Number.

Note: ONRR **cannot** accept a Social Security Number as a TIN. Whether you are paying as an individual payor or a company, you *must* enter an Employee Identification Number (EIN). If you do not have an EIN, follow page 3 of the instructions attached to the Form W-9.

Form **W-9**
(Rev. December 2011)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Name (as shown on your income tax return)

Business name/ disregarded entity name, if different from above

Check appropriate box for federal tax classification:
 Individual/sole proprietor
 C Corporation
 S Corporation
 Partnership
 Trust/estate
 Limited liability company. Enter the tax classification (C-C corporation, S-S corporation, P-partnership) ▶
 Exempt payee
 Other (see instructions) ▶

Address (number, street, and apt. or suite no.)
 City, state, and ZIP code
 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)
 Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.
 Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification
 Under penalties of perjury, I certify that:
 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
 3. I am a U.S. citizen or other U.S. person (defined below).
 Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ Date ▶

Instructions to Payors and Operators
for
Form W-9
Request for Taxpayer Identification Number and Certification

All payors and operators *must* send an original, signed Form W-9 to the Office of Natural Resources Revenue. Put your five-digit, ONRR-assigned Payor Code or Operator Number at the top of the form.

The Debt Collection Improvement Act of 1996 (31 U.S.C. § 7701) requires the Office of Natural Resources Revenue (ONRR) to collect a Taxpayer Identification Number (TIN) from all persons with whom we do business. We request your cooperation in completing and sending an Internal Revenue Service (IRS) Form W-9 with an Employer Identification Number (Federal tax ID number) to ONRR. You may obtain a Federal tax ID number on line from the IRS or by filing an IRS Form SS-4, Application for Employer Identification Number.

The following instructions describe how to complete a W-9 for ONRR purposes. Please make sure all information is complete and legible. For ease of reference, each item is entitled exactly as it appears on the form.

Form and Instructions can be found at: <http://www.onrr.gov/ReportPay/Forms/default.htm>



Payor Codes

ONRR requires that each reporting company have an identifying five-digit Payor Code and/or Operator Code (known as a Customer ID). A Customer ID is used on several documents and forms, e.g., ONRR-Form 2014's, Courtesy Notices, Production Reports, etc.

A Customer ID identifies each reporting company as a single entity, and much like the Tax ID Number, must be guarded to ensure privacy.



Payor/Operator Code Cleanup

Why? Currently, ONRR has over 26,000 payor/operator codes.

- Payors can request a payor code for any reason. Many companies have multiple payor codes (Onshore, Offshore, Indian, rent, etc.)
- Many of these codes are outdated.
- In FY2013:
 - 1,242 payors reported rent only
 - 949 payors reported royalties only
 - 1 payor reported bonus only
 - 844 payors reported a combination of revenue

Goal of cleanup:

- Identify relationships between payor codes
- Establish a mechanism for industry to maintain this data in ONRR's systems
- Allows automated company consolidation for development of EITI Unilateral Disclosure Report*

*EITI is the Extractive Industries Transparency Initiative. The [Extractive Industries Transparency Initiative](#), or EITI, is a voluntary, global effort designed to strengthen accountability and public trust for the revenues paid and received for a country's oil, gas and mineral resources. Countries that follow the standard publish a report in which governments and companies publicly disclose royalties, rents, bonuses, taxes and other payments from oil, gas, and mining resources.



Questions?





U.S. Department of the Interior
Office of Natural Resources Revenue

Reporter
Training
2014

Royalty Reporting

Commonly Used Transaction Codes



2014 Commonly Used Transaction Codes



- Royalty Due 01
- Minimum Royalty 02
- Rent (non-recoupable) 04
- Rent (recoupable) 05
- Rent Recoupment 25
- Estimate Reporting 03



Transaction Code 01

Royalty Due

- Due Monthly on every lease or lease-agreement combination with sales
- Separate line for each lease or lease agreement combination, sales type code, product code, and sales month
- Double entry adjustments



Transaction Code 01

Detail Line

Line Number	1
API Well Number	
MMS Lease Number	0490129432
MMS Agreement Number	
Product Code	01
Sales Type Code	ARMS
Sales MO/YR	072011
Transaction Code	01
Adjustment Reason Code	
Sales Volume	1280.00
Gas MMBtu	0.00
Sales Value	704.00
Royalty Value Prior to Allowances	88.00
Transportation Allowance	0.00
Processing Allowance	0.00
Royalty Value Less Allowances	88.00
Payment Method Code	3



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

$$\frac{\text{Sales Value}}{\text{Sales Volume}} = \text{Price Per Unit} \quad \frac{21975.00}{439.50} = \$50.00$$

Monitored for reasonable pricing



Lease Level Payments

TC 02	Minimum Royalty (MR)
TC 04	Rent (non-recoupable)
TC 05	Rent (recoupable)
TC 25	Recoup Advance Rent

- **Payments are based on lease terms**
- **Do not report the agreement number, product code, or sales type code**
- **Do not report the sales volume or sales value since they are not associated with the payment**



Transaction Code 02 Minimum Royalty (MR)

- Due on producing Federal and Indian leases
- Obligation may be fulfilled by production
- Report and payment must be received on or before the last day of the lease year, regardless of an estimate
- Automatically invoiced if not paid or reported incorrectly with the wrong sales month/year

Transaction Code 02

(Minimum Royalty)

Detail Line

Line Number	1
API Well Number	
ONRR Lease Number	0490129432
ONRR Agreement Number	
Product Code	
Sales Type Code	
Sales MO/YR	072011
Transaction Code	02
Adjustment Reason Code	
Sales Volume	
Gas MMBtu	00
Sales Value	
Royalty Value Prior to Allowances	88.00
Transportation Allowance	
Processing Allowance	
Royalty Value Less Allowances	88.00
Payment Method Code	03

It is important to make sure you are using the correct sales month when reporting minimum royalty



Rental

- Transaction Code 04** (non-recoupable)
- Transaction Code 05** (recoupable against production)
- **Annual Payment**
 - **Payment is due on or before lease anniversary date**
 - **For non-terminable leases, ONRR automatically invoices if not paid**

Transaction Code 04

(Non-recoupable Rent)

Detail Line

Line Number	1
API Well Number	
ONRR Lease Number	0490129432
ONRR Agreement Number	
Product Code	
Sales Type Code	
Sales MO/YR	012012
Transaction Code	04
Adjustment Reason Code	
Sales Volume	
Gas MMBtu	
Sales Value	
Royalty Value Prior to Allowances	345.00
Transportation Allowance	
Processing Allowance	
Royalty Value Less Allowances	345.00
Payment Method Code	3

Transaction Code 05

(Recoupable Rent)

Detail Line

- Line Number 1
- API Well Number
- ONRR Lease Number 0490129432
- ONRR Agreement Number
- Product Code
- Sales Type Code
- Sales MO/YR 012012
- Transaction Code 05
- Adjustment Reason Code
- Sales Volume
- Gas MMBtu
- Sales Value
- Royalty Value Prior to Allowances 345.00
- Transportation Allowance
- Processing Allowance
- Royalty Value Less Allowances 345.00
- Payment Method Code 3



Transaction Code 25

(Recouping Advance Rental Credits)

- Use in conjunction with TC 05
- Recoup against current revenue
- Rent can be recouped up to 100% of current revenue within the current lease year regardless of whether the lease is allotted or tribal (rent must be reported and paid)

Transaction Code 25

(Rent Recoupment)

Detail Line

	<u>Current Prod</u>	<u>Rental Recoup</u>
	1	2
• Line Number		
• API Well Number		
• ONRR Lease Number	0490129432	0490129432
• ONRR Agreement Number		
• Product Code	01	
• Sales Type Code	ARMS	
• Sales MO/YR	012012	012012
• Transaction Code	01	25
• Adjustment Reason Code		
• Sales Volume	1280.00	
• Gas MMBtu		
• Sales Value	704.00	
• Royalty Value Prior to Allowances	88.00	-88.00
• Transportation Allowance		
• Processing Allowance		
• Royalty Value Less Allowances	88.00	-88.00
• Payment Method Code	3	3



Estimate Reporting

- **What is an estimate?**

**An estimate is a one-time payment in lieu of
an actual royalty payment**



Estimate Reporting (cont.)

Why establish an estimate?

- Gives an additional month to report and pay actual royalties
- May help reduce late payment interest charges

Is an estimate cost beneficial?

- Estimate reporting may be helpful if sales data is not received timely to report to ONRR



How an Estimate Works

First report month:

- Report and pay the one-time estimate payment in lieu of a royalty payment for that month

Then in subsequent months:

- Report and pay the actual royalties
- Royalties are now due on or before the last day of the second month following the month the product was sold or removed from the lease



How To Determine The Amount Of an Initial Estimate Payment

- **Companies should establish their estimate in an amount which equals or exceeds the average monthly royalty liability for the LEASE and PRODUCT**
- **Adjust the estimate balance up or down as the lease royalty liability changes**

Transaction Code 03

(Establishing a First-Time Estimate)

Detail Line

Line Number	1
API Well Number	
ONRR Lease Number	0490129432
ONRR Agreement Number	
Product Code	
Sales Type Code	
Sales MO/YR	072011
Transaction Code	03
Adjustment Reason Code	
Sales Volume	
Gas MMBtu	
Sales Value	
Royalty Value Prior to Allowances	88.00
Transportation Allowance	
Processing Allowance	
Royalty Value Less Allowances	88.00
Payment Method Code	3

- Sales month on the estimate line must be one month prior to the report month (in lieu of royalties)
- An adjustment reason code is not required when establishing an estimate for the first-time.



How to Change the Amount of an Estimate

- Use a single line entry in the 2014 report to increase or decrease the amount of an estimate
- Use transaction code 03 with adjustment reason code 32

Transaction Code 03

(Increasing an Estimate)

Detail Line

• Line Number	<u>1</u>
• API Well Number	
• ONRR Lease Number	0490129432
• ONRR Agreement Number	
• Product Code	
• Sales Type Code	
• Sales MO/YR	072011
• Transaction Code	03
• Adjustment Reason Code	32
• Sales Volume	
• Gas MMBtu	
• Sales Value	
• Royalty Value Prior to Allowances	100.00
• Transportation Allowance	
• Processing Allowance	
• Royalty Value Less Allowances	100.00
• Payment Method Code	1

Once an estimate is established, any increase requires an adjustment reason code 32



How to Recoup an Estimate

- **Recoup Federal estimates anytime**
- **Recoup Indian estimates according to Indian recoupment limitations (estimate payments are overpayments, not required by terms)**
- **Estimate payments are disbursed by ONRR to the entitled recipients**

Transaction Code 03

(Decreasing an Estimate)

Detail Line

• Line Number	<u>1</u>
• API Well Number	
• ONRR Lease Number	0490129432
• ONRR Agreement Number	
• Product Code	
• Sales Type Code	
• Sales MO/YR	072011
• Transaction Code	03
• Adjustment Reason Code	32
• Sales Volume	
• Gas MMBtu	
• Sales Value	
• Royalty Value Prior to Allowances	-100.00
• Transportation Allowance	
• Processing Allowance	
• Royalty Value Less Allowances	- 100.00
• Payment Method Code	1

Once an estimate is established, any decrease requires an adjustment reason code 32



An estimate is NOT needed for all products

- **The estimate sales month will reflect all products on the lease (rolled-up to the lease level)**
- **Companies need to use the correct sales month for any product not requiring an estimate**

Transaction Code 03

(Multiple Products and Establishing an Estimate)

Detail Line

	<u>Current Prod</u>	<u>Estimate for Gas</u>
	1	2
• Line Number		
• API Well Number		
• ONRR Lease Number	0490129432	0490129432
• ONRR Agreement Number		
• Product Code	01	
• Sales Type Code	ARMS	
• Sales MO/YR	012012	
• Transaction Code	01	03
• Adjustment Reason Code		
• Sales Volume	1280.00	
• Gas MMBtu		
• Sales Value	704.00	
• Royalty Value Prior to Allowances	88.00	
• Transportation Allowance		
• Processing Allowance		
• Royalty Value Less Allowances	88.00	
• Payment Method Code	03	03

Situation: Lease has oil and gas sold for the month of March. Payor only receives the sales data for oil by the report due date

Transaction Code 03

(Multiple Products and Establishing an Estimate)

Detail Line

	<u>Current Prod</u>	<u>Estimate for Gas</u>
	1	2
• Line Number		
• API Well Number		
• ONRR Lease Number	0490129432	0490129432
• ONRR Agreement Number		
• Product Code	01	
• Sales Type Code	ARMS	
• Sales MO/YR	012012	012012
• Transaction Code	01	03
• Adjustment Reason Code		
• Sales Volume	1280.00	
• Gas MMBtu		
• Sales Value	704.00	
• Royalty Value Prior to Allowances	88.00	1,000.00
• Transportation Allowance		
• Processing Allowance		
• Royalty Value Less Allowances	88.00	1,000.00
• Payment Method Code	03	03

Transaction Code 03

(Multiple Products and Establishing Estimate cont.)

Detail Line

	<u>Oil Prod</u>	<u>Gas Prod</u>	<u>Inc Gas Est</u>
• Line Number	1	2	3
• API Well Number			
• ONRR Lease Number	0540077770	0540077770	0540077770
• ONRR Agreement Number			
• Product Code	01	04	
• Sales Type Code	ARMS	ARMS	
• Sales MO/YR	022012	??????	??????
• Transaction Code	01	01	03
• Adjustment Reason Code			??
• Sales Volume	1280.00	2400.00	
• Gas MMBtu		3624	
• Sales Value	704.00	18120.00	
• Royalty Value Prior to Allowances	88.00	2265.00	500.00
• Transportation Allowance			
• Processing Allowance			
• Royalty Value Less Allowances	88.00	2265.00	500.00
• Payment Method Code	03	03	03

Once a payor has established an estimate for a lease, they need to make sure they report the correct sales month and adjust their estimate accordingly

Transaction Code 03

(Multiple Products and Establishing Estimate cont.)

Detail Line

	<u>Oil Prod</u>	<u>Gas Prod</u>	<u>Inc Gas Est</u>
	1	2	3
• Line Number			
• API Well Number			
• ONRR Lease Number	0540077770	0540077770	0540077770
• ONRR Agreement Number			
• Product Code	01	04	
• Sales Type Code	ARMS	ARMS	
• Sales MO/YR	022012	012012	022012
• Transaction Code	01	01	03
• Adjustment Reason Code			32
• Sales Volume	1280.00	2400.00	
• Gas MMBtu		3624	
• Sales Value	704.00	18120.00	
• Royalty Value Prior to Allowances	88.00	2265.00	500.00
• Transportation Allowance			
• Processing Allowance			
• Royalty Value Less Allowances	88.00	2265.00	500.00
• Payment Method Code	3	3	3

Once a payor has established an estimate for a lease, they need to make sure they report the correct sales month and adjust their estimate accordingly



The ONRR Financial System uses estimate balances in late payment interest calculations

- **The ONRR financial system tracks estimate balances**
- **For a given lease and sales month, the ONRR financial system compares the lease estimate balance to the actual royalty paid under the estimate**
- **Interest is due on the amount that the royalty payment exceeds the estimate balance**
- **Interest is also due on amounts paid after the due date for estimate reporting.**



Maintain Estimate Balance Records

- The 2014 estimate balance report summarizes ONRR's records of estimate transactions.
- Companies can access this monthly report in their company folder through the internet (Data Portal) at <https://dwportal.mms.gov/>
- Companies should keep a record of their estimate payments by lease and reconcile balances at least yearly



Reporting Exercise

- You are reporting your monthly royalty for gas
- Rocky Mountain Oil & Gas sold unprocessed gas (product code 04) from lease 049-012345-0 for sales month January 2012 to an unaffiliated company
- The contract is arm's length percentage of proceeds
- Lease participates in the Laramie Unit 891-001234-0
- Total agreement production volume is 3000
- Lease receives a 20 percent allocation from the unit
- Owner's Interest is 100%
- The lease has 50% Federal Ownership
- Btu content is 1.150
- Price per unit is \$5.00
- There are no transportation or processing costs
- Lease royalty rate is 12 ½ Percent
- Payment by EFT



Reporting Exercise Answer

Total agreement production volume x tract percentage x
Federal mineral ownership interest = sales volume

$$3000 \text{ mcf} \times 0.20 \times 1.00 \times 0.5 = 300 \text{ Sales Volume}$$

Sales Volume x Btu Content = Gas MMBtu

$$300 \times 1.150 \text{ Btu Factor} = 345 \text{ Gas MMBtu}$$

Gas MMBtu x Price Per Unit = Sales Value

$$345 \text{ MMBtu} \times \$5.00 \text{ Unit Price} = \$1,725.00 \text{ Sales Value}$$

Sales Value x Lease Royalty Rate = Royalty Value

$$\$1,725.00 \times 0.125 = \$215.63 \text{ Royalty Value}$$



Questions?????

