

OFFICE OF NATURAL RESOURCES REVENUE

Financial Management
Financial Services

Phone: 1-800-433-9801 x Accountants Ext
Fax: 303-231-3372

MAIL

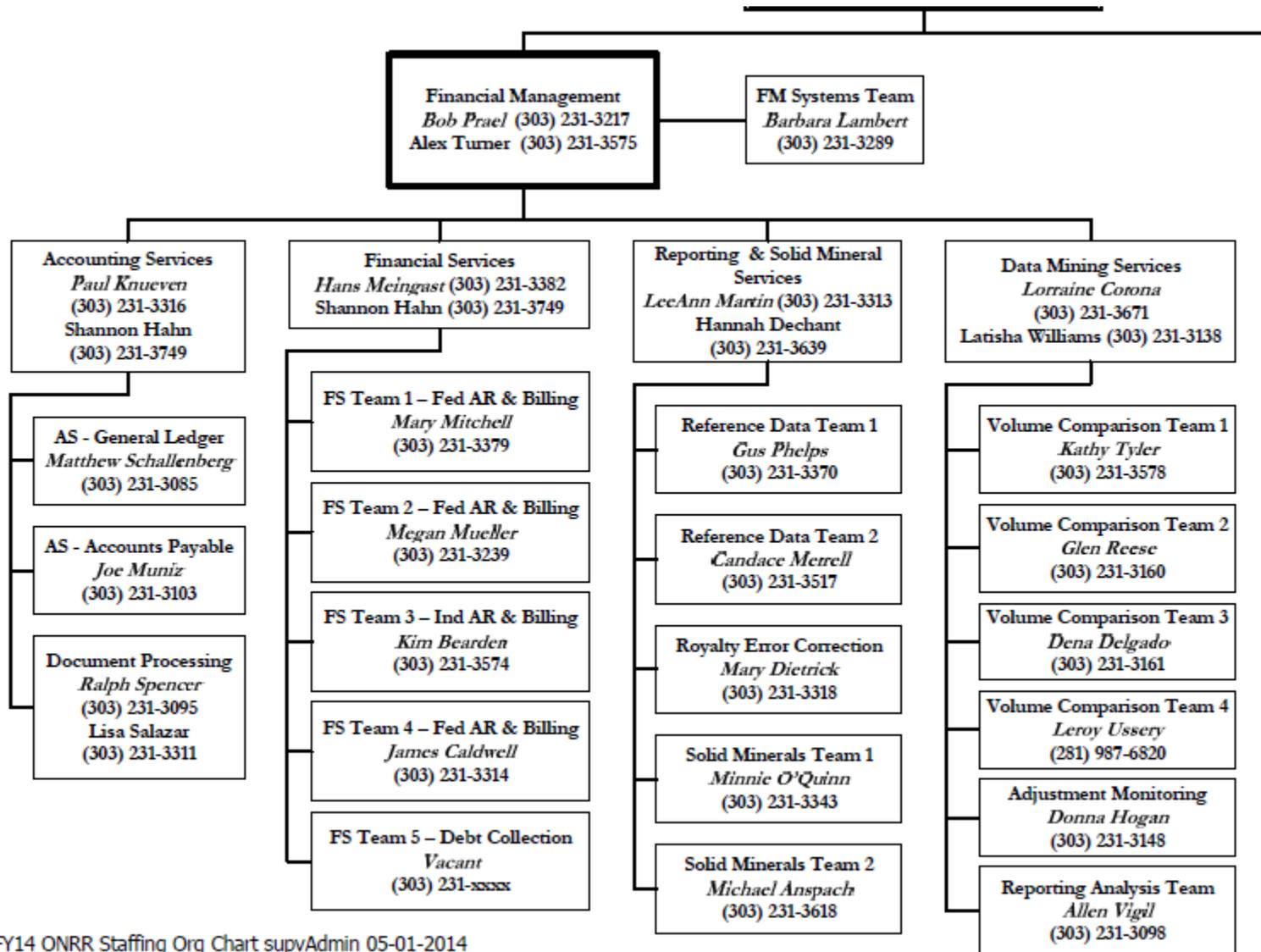
OFFICE OF NATURAL RESOURCES REVENUE

P.O. BOX 25627, MAIL STOP 63220B

DENVER, CO 80225-0627



FINANCIAL MANAGEMENT



Financial Services Manager

Hans Meingast x3382

- **Financial Services Staff Accountants**
- **Hannah Bade** x3373
- **Thomas (Tom) Anthony** x3708



Financial Services Contact Lists

- **Federal**

<http://www.onrr.gov/ReportPay/PDFDocs/finserAssign.pdf>

- **Indian**

<http://www.onrr.gov/ReportPay/PDFDocs/FSIndianCoAssign.pdf>



Accountants

Federal Team 1 Supervisor: Mary Mitchell x3379

- Niki Alomia x3417
- Bethany Hartman x3021
- Cara Hills x3745
- Kush Mirchandani x3535
- Jonathan Nash Jonathan.Nash@onrr.gov
- Noel Rivera Noel.Rivera@onrr.gov
- Pola Vigil x3428



Accountants

Federal Team 2 Supervisor: Megan Mueller x3239

- Patrick Camargo x3989
- Jamie Hamlin x3200
- Alberta Lopez x3295
- Ron Marshall x3181
- Bob Paolini x3132
- Cherise Rahmaan x3489
- Ryan Winges x3171



Accountants

Federal Team 4 Supervisor: James Caldwell x3314

- Lu Croisant x3451
- John O'Donoghue x3122
- Deane LeBet x3223
- Edmond Osei x3359
- Laura Sauter x3166
- Danielle Tempel x3545
- Kristina Woolums x3197



Accountants

Indian Team 3 Supervisor: Kim Bearden x3574

- Corine Billingsley x3443
- Karen Jeffers x3406
- Karla McCrary x3767
- Diana Ohlsson x3371
- Jennifer Stephens x3596
- Joanne Taylor x3822



Financial Services

We are responsible for Exception Processing:

- Late Paid Receivables
- Unpaid or Underpaid Lease Term Obligations
- Inspection Fees for Offshore Operations

Other Invoice Types:

- Civil Penalties for failure to comply with ONRR reporting and payment requirements or Liquidated Damages for failure to comply with payment requirements, and violations of BSEE rules and regulations for offshore operations.
- Fishermen's Contingency Fund.



Financial Services(cont)

- **Payment Matching:**
 - Receivables (Form 2014, Invoices, etc.) without payments
 - Payments without receivables
- **Refund Processing:**
 - Contact your accountant or Hannah Bade (ext 13373) to get process started
 - See Oil & Gas Reporter Training Book 2 for required information on page 43.

<http://www.onrr.gov/ReportPay/training/files/Book-2.pdf>



FINANCIAL SERVICES EXCEPTION PROCESSING

RECEIVABLES

FORM2014

INVOICE

COURTESY NOTICE

PAYMENT RECEIVED

Pay.gov

WIRE/ACH

CHECK

LOCKBOX

FINANCIAL TERM DATABASE

LEASE STATUS, DUE DATES, ETC

ESTIMATE DATABASE
COMPANY GETS ADD'L
30 DAYS TO REPORT
AND PAY

IDENTIFY EXCEPTION

INT, FIN, IOR, OTH

GENERATE PREBILL

REVIEW AND ISSUE
INVOICE IF VALID



Exception Processing

Types of Invoices

Interest

INT

- Late payment interest
- Overpayment Interest (Fed Oil & Gas only)
- Insufficient estimate interest
- Oversufficient estimate interest (Fed Oil & Gas only)

Financial Term

FIN

Rent/Minimum Royalty

Indian Overrecoupment

IOR

100% Tribal; 50% Allotted

Other Invoices

OTH

Liquidated Damages, Inspection Fees, Civil Penalties, etc.



INTEREST

LATE-PAYMENT (Federal & Indian)

Interest Exception Processing (EP) reviews fully paid closed documents to determine if paid late:

- **All late-paid Form MMS 2014 lines**

- Reviews Data Base for estimate by lease sales month/year;
- Records receipt date of the 2014 and inserts due date for each line/lease (additional 30 days if estimate filed).
- Compares due date for each line/lease to receipt date of the applied payment(s) to determine if paid late.



INTEREST LATE-PAYMENT(cont) (Federal & Indian)

– All late-paid invoices

- IOR Invoices

Due date is the date of over-recoupment (not the due date of the invoice).

- FIN Invoice

Due date is determined from the anniversary date of the lease (not the due date of the invoice).

- INT and OTH invoices

Due date is the same as the due date of invoice

– All late-paid Courtesy Rent Notices (Federal Oil & Gas Leases only---will no longer be issued in the near future)

- Due date of rent (usually 1st of the month)



How Multiple Payments Affect Late Payment Interest Calculation

- Payments with different receipt dates are prorated over all Form ONRR-2014 lines.
 - Interest is calculated from the due date to the paid date of the prorated amount.
- Payments cannot be applied to a specific line on Form ONRR-2014; payments are prorated to each line.
- Payments are only applied to a specific item if the document contains just one line
- Payments with the same receipt date netted together
- Interest is calculated based on the receipt date for each payment, compared to the due date of each line.

New Interest Calculations

1. Effective October 2014, ONRR implemented a new interest billing module.
2. This module calculates interest using a netting methodology for all reporting for a lease on the same royalty document.
3. Only comes into play when multiple sales months are reported for a lease.
4. New Interest is calculated from the royalty due date to the next transaction for the lease (when multiple sales months are reported).



New Interest Calculations(CONT.)

5. ONRR believes this is a more efficient process and better represents the concept of interest equaling the time value of money.

6. Interest invoices will still have three supporting reports: The Interest Schedule, The Estimate Detail Report, and The Late Payment Allocation Report



Old Interest Calculations

(Federal Oil & Gas Only)

<u>Sales Month</u>	<u>Due Date</u>	<u>RV</u>		<u>Amt</u>
08/2011	09/30/11	\$1,200	Int due 09/30/11 to 02/28/14	\$ 90.11
09/2011	10/31/11	(\$ 900)	Int owed 10/31/11 to 02/15/14	\$ 42.24
09/2012	10/31/12	(\$2,000)	Int owed 10/31/12 to 02/15/14	\$ 55.86
09/2013	10/31/13	\$2,000	Int due 10/31/13 to 02/28/14	<u>\$150.19</u>
				<u>\$142.20</u>

\$142.20 is the interest owed under the old method.

New Interest Calculations

(Federal Oil & Gas Only)

Running Balance

Lease Type	Federal									roy/bill lease amt
Start of Period	End of Period	Number of Days in Period	Number of Days in the Year	Interest Rate	Beginning Principal and Interest Balance	Interest Amount for the Period	Ending Principal and Interest Balance	Additional Principal Amount for the Period	Cumulative Interest	
10/1/2011	10/31/2011	31	365	3.00%	\$1,200.00	\$3.06	\$1,203.06	\$1,200.00	\$3.06	
11/1/2011	12/31/2011	60	365	3.00%	\$303.06	\$1.50	\$304.56	(\$900.00)	\$4.56	
1/1/2012	10/31/2012	304	366	3.00%	\$304.56	\$7.68	\$312.24		\$12.24	
11/1/2012	12/31/2012	60	366	2.00%	(\$1,687.76)	(\$5.54)	(\$1,693.30)	(\$2,000.00)	\$6.70	
1/1/2013	10/31/2013	303	365	2.00%	(\$1,693.30)	(\$28.35)	(\$1,721.65)		(\$21.65)	
11/1/2013	2/28/2014	119	365	3.00%	\$278.35	\$2.74	\$281.09	\$2,000.00	(\$18.91)	

ONRR owes you \$18.91

Old Interest Calculations

Indian Lease

<u>Sales Month</u>	<u>Due Date</u>	<u>RV</u>		<u>Amt</u>
08/2011	09/30/11	\$1,200	Int due 09/30/11 to 02/28/14	\$ 90.11
09/2011	10/31/11	(\$ 900)	Int not paid on Indian	
09/2012	10/31/12	(\$2,000)	Int not paid on Indian	
09/2013	10/31/13	\$2,000	Int due 10/31/13 to 02/28/14	<u>\$150.19</u>
				<u>\$240.30</u>

\$240.30 is the interest owed under the old method.

New Interest Calculations (Indian and Solid Mineral Leases) Running Balance

Lease Type	Indian							roy/bill lease amt	
Start of Period	End of Period	Number of Days in Period	Number of Days in the Year	Interest Rate	Beginning Principal and Interest Balance	Interest Amount for the Period	Ending Principal and Interest Balance	Additional Principal Amount for the Period	Cumulative Interest
10/1/2011	10/31/2011	31	365	3.00%	\$1,200.00	\$3.06	\$1,203.06	\$1,200.00	\$3.06
11/1/2011	12/31/2011	60	365	3.00%	\$303.06	\$1.50	\$304.56	(\$900.00)	\$4.56
1/1/2012	10/31/2012	304	366	3.00%	\$304.56	\$7.68	\$312.24		\$12.24
11/1/2012	12/31/2012	60	366	2.00%	(\$1,687.76)	\$0.00	(\$1,687.76)	(\$2,000.00)	\$12.24
1/1/2013	10/31/2013	303	365	2.00%	(\$1,687.76)	\$0.00	(\$1,687.76)		\$12.24
11/1/2013	2/28/2014	119	365	3.00%	\$312.24	\$3.07	\$315.31	\$2,000.00	\$15.31

\$15.31 is the interest owed under the new method.

MULTIPLE PAYMENTS WITH DIFFERENT RECEIPT DATES

Old Allocation Process

1 ROYALTY LINE FROM A DOCUMENT TOTALLING \$100,000

Sales Month	Due Date	Amount
05/2014	07/31/2014 (est)	\$6,000

THREE PAYMENTS WERE APPLIED

11/15/2013	\$30,000	= 3/10 or 30%
04/30/2014	\$60,000	= 6/10 or 60%
07/31/2014	<u>\$10,000</u>	= 1/10 or 10%
(Total amount of Form 2014)	\$100,000	

ALLOCATION OF 3 PAYMENTS TO THIS ONE ROYALTY LINE

\$6,000	X	30%	\$1,800	Prorated paid date	11/15/2013
\$6,000	X	60%	\$3,600	Prorated paid date	04/30/2014
\$6,000	X	10%	<u>\$ 600</u>	Prorated paid date	07/31/2014
			\$6,000		

MULTIPLE PAYMENTS WITH DIFFERENT RECEIPT DATES

New Allocation Process

3 ROYALTY LINES FROM FORM 2014 TOTALLING \$100,000

<u>Sales Month</u>	<u>Due Date</u>	<u>Amount</u>
05/2014	06/30/2014	\$6,000
07/2014	08/31/2014	\$2,100
09/2014	10/31/2014	\$1,900

THREE PAYMENTS WERE SUBMITTED

<u>Paid Date</u>	<u>Amount</u>
06/11/2014	\$ 6,500
08/31/2014	\$ 10,000
11/25/2014	<u>\$ 83,500</u>
(Total amount for Form 2014)	<u>\$100,000</u>

PAYMENT ALLOCATION UTILIZING RUNNING BALANCE

<u>Sales Month</u>	<u>Royalty</u>	<u>Payment Date</u>	<u>Amount</u>	<u>Balance</u>
05/2014	\$6,000	06/11/2014	\$6,000	\$ 500
07/2014	\$2,100	06/11/2014	\$ 500	\$ 0
07/2014	\$1,600	08/31/2014	\$10,000	\$8,400
09/2014	\$1,900	08/31/2014	\$ 1,900	\$6,500

*This example reflects the first two payments only.

Cross-Lease Netting (reported on the wrong lease and need to adjust)

- No cross-lease netting allowed on Indian allotted leases
- Cross-lease netting allowed on Indian Tribal leases only with written permission from the tribe
- Cross-lease netting is allowed on Solids and Geothermal leases.
- **Cross-lease netting is allowed on Federal Oil & Gas leases. See 30 CFR 1218.54 (e) & 1218.42 (b).**



Adjustment Reason Code 35 (ARC 35)

- Adjust volumes and values as required as a result of the formation, expansion, contraction, or termination of the Participating Area of a Unit or Communitization Agreement.
- **You may use ARC 35 ONE TIME per above referenced event.**
- Interest will be calculated from the end of the next month following the approval date of the letter from BLM, BIA, or BSEE.



OVERPAYMENT INTEREST

Federal Only

Federal net negative adjustments
(overpayment lines)

Oversufficient Estimates

Note: A net negative interest invoice can be used as a credit (same as a payment).



INSUFFICIENT ESTIMATE INTEREST

(Federal & Indian Oil & Gas Leases)

- Royalty received during 2nd month after production.
- Insufficiency calculated at lease level.
- Interest billed on the insufficient portion only.
- Interest charged for time used in extended estimate period.



INSUFFICIENT ESTIMATE EXAMPLE

(Federal & Indian Oil & Gas Leases)

Sales Month/Year	01/31/2014
Due date without an estimate	02/28/2014
Due date with an estimate	03/31/2014
Extended estimate period	03/01/2014 to 03/31/2014

- Interest charged for time used in extended estimate period

Estimate on file	\$100
Royalty reported & paid	<u>\$300</u>
Insufficient Estimate	\$200



INSUFFICIENT ESTIMATE EXAMPLE

(Federal & Indian Oil & Gas Leases)

- If reported on 03/21/2014
Customer pays 21 days interest on \$200
- If reported on 03/31/2014
Customer pays 31 days interest on \$200
- If reported on 04/16/2014
Customer pays 47 days late payment interest on \$300



(Reporting is after extended period and does not get the benefit of the estimate)

INTEREST INVOICES (Federal Oil & Gas Leases)

Oversufficient Estimate Interest

- For oversufficient estimate balances, **ONRR pays customer for the entire month instead of time used in extended estimate period.**



Oversufficient Estimate Example

(Federal Only)

Sales Month/Year	01/2014
Due date without an estimate	02/28/2014
Due date with an estimate	03/31/2014
Extended estimate period	03/01/2014 to 03/31/2014

- For oversufficient estimate balance ONRR pays for the entire extended estimate period.

Estimate on file	\$300
Royalty reported and paid	<u>\$100</u>
Oversufficient Estimate	\$200 or \$300



Oversufficient Estimate Example (Federal Only)

- If reported on 03/21/2014
 - ONRR pays 31 days interest on \$200
- If reported on 03/31/2014
 - ONRR pays 31 days interest on \$200
- If reported on 04/16/2014
 - ONRR pays 31 days interest on \$300
 - Customer pays 47 days late payment interest on \$100



INTEREST FORMULA

$$I = A \left[\left(1 + \frac{R}{N} \right)^n - 1 \right]$$

I = Interest Amount

A = Assessment Amount

R = Interest Rate in decimal format

**N = Number of days in the year
(365 or 366)**

**n = Number of days in the period
(n is an exponent)**



INTEREST TABLE AND OTHER INFO CAN BE FOUND AT:

<http://www.onrr.gov/ReportPay/Interest.htm>

Has formula, interest rates, examples,
explanations, etc.



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

Customer:

XYZ Oil & Gas Company
Attn: Dave David
P. O. Box 34560
Denver, CO 80202-4560

Page: FED01
1
Invoice No: INT100000100
Invoice Date: 05/14/2003
Customer Number: 44444
Due Date: 06/30/2003

INVOICE

TOTAL AMOUNT DUE: 2,509.33

For billing questions, please call 1-800-433-9801 EXT 3613

Description	Line	Document ID	PAD Number	Sales Date	Receipt Date	Amount Due
	MMS Lease No.	Agency Lease		Lease Name		

PLEASE READ THE LETTER ENCLOSED WITH THIS INTEREST STATEMENT. IT EXPLAINS HOW YOU CAN APPLY THE AMOUNT OF INTEREST MMS OWES YOU TO ANOTHER ROYALTY OBLIGATION, OR REQUEST A REFUND.

Interest on Estimates	1	ESTIMATE		01/2003	03/28/2003	(9.31)
	0540106050	OCS-G 10605				
Interest on Estimates	2	ESTIMATE		01/2003	03/28/2003	9.03
	0540106550	OCS-G 10655				
Interest on Royalty	3	ROY100000123		11/2002	04/15/2003	1,505.18
	0540012550	OCS-G 1255				
Interest on Royalty	4	ROY100000123		12/2002	04/15/2003	862.87
	0540012550	OCS-G 1255				
Interest on Royalty	5	ROY100000123		11/2002	04/15/2003	479.44
	0540012550	OCS-G 1255				
Interest on Royalty	6	ROY100000123		12/2002	04/15/2003	280.73
	0540012550	OCS-G 1255				
Interest on Royalty	7	ROY100000155		09/2001	12/31/2002	(618.61)
	0540001250	OCS-G 0125				

SUBTOTAL

2,509.33

TOTAL AMOUNT DUE:

2,509.33

INT

Original

DO NOT SUBMIT A FORM MMS-2014

eINVOICE

- Provides electronic versions of Interest Invoices and associated reports
- Customers with access to the Data Warehouse have eInvoice available to them.
- **FIN, IOR, and OTH are NOT Available in electronic versions at this time.**

*Refer to the Oil & Gas Reporter Training Book 2 for additional info for eInvoice at: <http://www.onrr.gov/ReportPay/training/files/Book-2.pdf>



Online Rental Payments

- On Jan. 5, 2015 we launched a new tab on the eCommerce Reporting website called “Rental Information.”
- Rental payments can now be paid online through this process.
- A “Dear Payor” letter has or will be mailed to your company explaining these changes & why.

<http://www.onrr.gov/PDFDocs/Web-Based-Reporting-Letter.pdf>

- FAQ eCommerce Online Rental

http://www.onrr.gov/ReportPay/PDFDocs/eCommerce_Online_Rental_FAQ.pdf

- Please refer to the eCommerce User Guide, page 72 for detailed Information at:

https://onrrreporting.onrr.gov/Help/eCommerce_Reporting_Website_User_Guide.pdf

Important to remember:

- If you’ve recv’d a FIN Bill use Pay.gov because your Rent is already late.
- For timely rental payments use the Online Rental Payment Process.



FINANCIAL TERMS INVOICES (FIN)

(LEASE CONTRACT FINANCIAL PROVISIONS — Rent, Minimum Royalty, etc.)

- Balance due already late when invoice issued. Interest generated when payment is received.
- Please do not submit 2014 if you have a correct invoice.
- If you need to make a correction: (Reversing/correcting entries still need 2014.)
- Customer Should
 - Reference Invoice Number and Customer ID
 - Electronic Payment



NONTERMINABLE LEASES

(Rent, Advance Rent, Minimum Royalty, Right-of-Way, Right-of-Use & Easement, Well Fee, Storage Fee)

- **Exception Processing for FIN Invoices:**
 - Compares amount due to amount paid
 - Generates Financial exception for non-payment or underpayments



NONTERMINABLE LEASES(cont)

- **Rent**
 - Due annually by the first day of the lease year.
- **Advance Rent**
 - Due annually by the first day of the lease year.
 - Report & pay even if it will be recouped.
- **Minimum Royalty**
 - Due annually by the last day of the lease year when not met by production
 - Not billed until three months after the due date to give time for additional royalties to be reported.



NONTERMINABLE LEASES (cont)

- **Right-of-Way, Right-of-Use & Easement**

- Invoices sent out in November
- Due annually by January 1
- Not reported on Form 2014

- **Well Fee**

- Reported on Form 2014
- Due quarterly or annually

- **Storage Fee**

- Reported on Form 2014
- Due annually



TERMINABLE LEASES

(Automatically terminate if rent is not paid by the due date)

- **Exception Processing:**
 - Compares amount due to amount paid
 - Determines underpayment
 - If nominally deficient (partially paid) it generates a FIN Invoice for underpayments within a specified range.



When lease is terminated for underpayment

- ONRR reports under or unpaid terminable lease to BLM.
- BLM terminates lease(s) and responds to customer inquiries.
- Customer's appeal rights are with BLM, not ONRR (43 CFR)



FIN Invoice can be adjusted if:

- **Database Incorrect**
 - Customer responsibility has changed.
 - Due date is incorrect.
- **Timing**
 - Payment not posted to lease account balance.
 - Line on Form ONRR-2014 is rejected.
 - Payment received but not Form ONRR-2014.



Please Remit To:

ONRR using Pay.gov or another type of Electronic Funds Transfer

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

Page: FED01
1
Invoice No: FIN100000100
Invoice Date: 02/14/2015
Customer Number: 12345
Due Date: 03/31/2015

Customer:

ABC Oil & Gas Company
Attn: Dave David
P. O. Box 34560
Denver, CO 80202-4560

INVOICE

TOTAL AMOUNT DUE: 55,588.98

For billing questions, please call 1-800-433-9801X3613

Description	Line MMS Lease No.	Orig Due Dt Agency Lease	Obligation Amount Lease Name	Total Payment	Amount Due
AMOUNT(S) ASSESSED IN ACCORDANCE WITH LEASE TERMS.					
Underpaid Minimum Royalty	1 0550008320	02/28/2014 OCS 0832	15,000.00	2,611.02	12,388.98
Underpaid Rent	2 0540185700	12/01/2014 OCS-G 18570	43,200.00	0.00	43,200.00
SUBTOTAL:					55,588.98
TOTAL AMOUNT DUE					55,588.98

DO NOT SUBMIT A FORM MMS-2014
YOU CANNOT PAY USING ONLINE RENTALS PORTAL

INDIAN OVERRECOUPMENT INVOICES (IOR)

- **All 2014 lines must be accepted.**
- **System generates bill line when an exception is found.**
- **Interest implications.**
- **Payment Method 2 will generate letter instructing how to make payment.**



INDIAN OVERRECOUPEMENTS IOR INVOICES

Tribal

If recoup more than 100% of the
current revenue

Allotted

If recoup more than 50% of the current
revenue



WHAT IS CURRENT REVENUE?

- Royalty due for current report month.
- All other revenue (i.e. annual rental, net positive adjustments) reported in the same month, less allowances and any tax credits.
- Recoupment of current lease year's advance rental payment (TC 25). Usually a negative amount but could be either.



WHAT IS A NEGATIVE ADJUSTMENT?

- All net negative adjustments to previously reported sales months (TC 01, 05, 11, 12, 14, and 15)
- Recoupment of a prior year's rent



TRIBAL LEASE EXERCISE

	<u>Sales</u> <u>Mo/Yr</u>	<u>TC</u>	<u>Revenue</u> <u>Amount</u>
Current Royalty	02/2010	01	\$300.00
Recoupable Rent	02/2010	25	<u>-180.00</u>
Net Revenue			\$120.00
Negative Adjustment	01/2010	01	<u>-120.00</u>
Report Total			<u>\$ 0.00</u>



No Exception Generated

ALLOTTED LEASE EXERCISE

	<u>Sales</u> <u>Mo/Yr</u>	<u>TC</u>	<u>Royalty</u> <u>Value</u>
Current Revenue	02/2010	01	\$300.00
Recoupable Rent	02/2010	25	<u>-180.00</u>
Net Revenue			\$120.00

Can Recoup 50% of Net Revenue

\$ 60.00



ALLOTTED LEASE EXERCISE

<u>Sales</u> <u>Mo/Yr</u>	<u>Royalty</u> <u>Adjustments</u>	<u>TC</u>	<u>Current</u> <u>Revenue</u>
11/2009	\$-150.00	01	
12/2009	\$ -50.00	01	
01/2010	\$200.00	01	
02/2010		01	\$ 300.00
02/2010		25	<u>\$-180.00</u>
	<u>\$ 0.00</u>		\$-120.00

ALLOTTED LEASE EXERCISE

<u>Sales</u> <u>Mo/Yr</u>	<u>Royalty</u> <u>Adjustments</u>	<u>TC</u>	<u>Current</u> <u>Revenue</u>
11/2009	\$-150.00	01	
12/2009	\$ -50.00	01	
01/2010	\$ 200.00	01	\$ 200.00
02/2010		01	\$ 300.00
02/2010	<hr/>	25	<u>\$-180.00</u>
	0.00		\$ 120.00
	\$-200.00		\$ 320.00

ALLOTTED LEASE EXERCISE ANSWER

Current revenue	\$ 320.00
Allotted lease	<u>50%</u>
Available to recoup	\$ 160.00
Recoupment taken	\$-200.00
Overrecoupment	\$-40.00

A \$40.00 Exception is Generated

Once the IOR invoice is paid, ONRR's system establishes a recoupable balance (TC 50), which then can be recouped against future royalties with a TC 51.

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

Page: IND01
1
Invoice No: IOR100000100
Invoice Date: 04/14/2005
Customer Number: 12345
Distributtee Code: 550
Due Date: 05/31/2005

Customer:

ABC Oil & Gas Company
Attn: Dave David
P. O. Box 34560
Denver, CO 80202-4560

INVOICE

TOTAL AMOUNT DUE: 40.00

For billing questions, please call 1-800-433-9801 EXT 3613

Description	Line	Sales Date	Document ID	Receipt Date	PAD Number	Amount Due
	MMS Lease No.	Agency Lease	Lease Name			
ASSESSMENT FOR REPORTING OR PAYMENT VIOLATION. PLEASE REMIT ON OR BEFORE THE INVOICE DUE DATE TO AVOID FURTHER CHARGES.						
Allottee Recoupment	1	02/2005	ROY100000444	03/31/2005		40.00
	5090033330	52013				
			SUBTOTAL:			<u>40.00</u>
TOTAL AMOUNT DUE:						40.00

IOR

Original

DO NOT SUBMIT A FORM MMS-2014

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

Report ID: ZIORRPT

Indian Recoupment Detail

Page No. 1
Run Date 04/14/2005
Run Time 15:26:45

INVOICE: IOR100000100 PAYOR: 12345 ABC Oil & Gas Company DISTRIBUTION CODE: 550 TOTAL EXCEPTION: \$40.00

BILL LINE#: 1 ASSESSMENT CODE: RA DESCRIPTION: Allottee Recoupment TRIBAL/ALLOTTED: A BILL LINE EXCEPTION: \$40.00

LEASE: 5090033330 LEASE ANN: 31-JAN-2004

LINE NBR	PROD CD	SALES DT	TC	ARC	EST REL	PAY METH	DOC ID	PAD NUM	RECEIPT DATE	ROYALTY VALUE	REVENUE AMT	NEG ADJ AMT	RCPD AMT	RCPABLE AMT
0	04	30-NOV-2004	01	10		05	ROY100000444		31-MAR-2005	-150.00	0.00	-150.00	0.00	0.00
0	04	31-DEC-2004	01	10		05	ROY100000444		31-MAR-2005	-50.00	0.00	-50.00	0.00	0.00
0	04	31-JAN-2005	01	10		05	ROY100000444		31-MAR-2005	200.00	200.00	0.00	0.00	0.00
0	04	28-FEB-2005	01			05	ROY100000444		31-MAR-2005	300.00	0.00	0.00	0.00	0.00
0		28-FEB-2005	25			05	ROY100000444		31-MAR-2005	-180.00	120.00	0.00	0.00	0.00
TOTALS:											320.00	-200.00	0.00	0.00

*** End of Report ***

Questions?



OTH INVOICES

4 Types

- **Liquidated Damages**
- **Civil Penalties**
- **Fisherman's Contingency Fund**
- **Inspection Fee for Offshore Leases**



Liquidated Damages

30 CFR 218.41

- Amount not to exceed \$250 for each payment that fails to include adequate information.



CIVIL PENALTIES

30 CFR 1241.50-80

- **Notice of Noncompliance**
 - \$500 per day (1st 40 days)
 - \$5000 per day (after 40 days)
- **Intentional Violation**
 - \$10,000 per day



CIVIL PENALTIES – OCS

30 CFR 250.1400 -1409

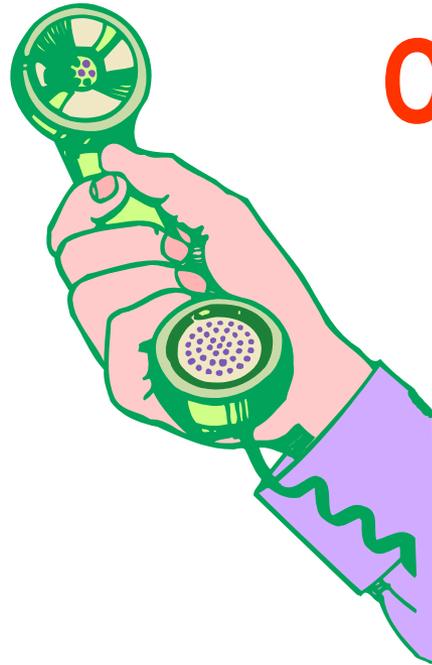
- **Notices of Incidents of Noncompliance**
 - \$25,000 per day
- **Appeal rights are with BSEE (30 CFR 290, Subpart A)**



APPEALS

30 CFR 1290

We may be able to solve the problem without a formal appeal.



**CALL ANALYST
FIRST!!**

APPEALS

- Submit notice to address in ONRR invoice/order stating intent to appeal
- Notice due within 30 days from your receipt of ONRR invoice or order and should include:
 - **ONRR invoice/order number**
 - **Dollar amount appealed**
- 30 additional days to submit Statement of Reasons (60 days for audit related appeals)

To:
Office of Natural Resources Revenue
Attn: Senior Appeals Coordinator
P O Box 25627
Denver, CO 80225-0627



ONRR APPEALS PROCESS

- ONRR Dockets Appeal and sends acknowledgement letter to the appellant
- ONRR reviews appeal; if resolved closes appeal, if not sent to Appeals Division
- Appeals Division analyzes legal issues and prepares draft decision
- Policy and Management Improvement (PMI) issues decision
- Appellant can then appeal to IBLA, then the courts



APPEAL SURETY

30 CFR 1243

- **Payment may be suspended**
 - If you submit a timely appeal and you provide an acceptable surety:
 - For Indian invoices greater than \$1,000
 - For Federal demands greater than \$10,000 (or you may self bond)



**For surety questions please call
Kim Werner at 303-231-3801**

PAYMENT REQUIREMENTS

30 CFR 1218.50-51

Timing of Payments

How to make payments

(See Oil & Gas Reporter Training Book 1)

<http://www.onrr.gov/ReportPay/training/files/Book-1.pdf>



ONRR PAYMENT INSTRUCTIONS

–All REPORTING

- <http://www.onrr.gov/ReportPay/payments.htm>

–Indian Leases and Fund Codes

- <http://www.onrr.gov/ReportPay/payments.htm>



TYPES OF PAYMENTS

- Pay.gov
- Wire
- Automated Clearing House (ACH)
- Check—Ok for rent or hardship situations
- (TPAY) some tribal payments
- Credits (Please notify analyst before use of credits)

(WE STRONGLY SUGGEST SENDING EMAIL/FAX TO YOUR ACCOUNTANT EXPLAINING HOW YOUR PAYMENTS/CREDITS ARE TO BE APPLIED)



ONRR Pay.gov

- What payments can I make here?
 - Royalty
 - Invoice
 - Right-of-Way/Right-of-Use & Easement Rental Payments
(Note: Regular Online Rental Payments are made through eCommerce portal)
- What information will I need (see form for more detail)?
 - Payor Code
 - Payor Assign'd Doc. No.-Royalty
 - Invoice Number – Invoices
 - Indian – Distributee Codes
 - Businesss Unit – Federal or Indian



https://www.pay.gov/FormServer/DOI/help/DOI_MMS_RoyaltyPayment_help_v2.pdf

For the best website experience, please use Internet Explorer 9 or higher, Chrome, Firefox, or Safari.

[Log in](#) | [Register](#)



[MAKE A PAYMENT](#) [FIND AN AGENCY](#) [ONLINE HELP](#)

Alert Message (effective 08/14/2014): Attention overseas Pay.gov users: If you are trying to register or make a payment on our site and do not see a location for your^x military address in the state pull down list, please select the District of Columbia, or DC. The military locations will be added in our next patch release.

Welcome to Pay.gov

Pay.gov is the convenient and fast way to make secure electronic payments to Federal Government Agencies. Many common forms of payment are accepted, including credit cards, debit cards, and direct debit.

Click on a link below or use the search box above to get started.

[Make a Payment](#)



I NEED TO PAY

Select one of the options below to see a list of forms and agencies that fall into that category.

- ★ [LOAN PAYMENT](#)
- ★ [MEDICAL EXPENSE](#)
- ★ [FINE, VIOLATION, OR PENALTY](#)
- ★ [FOIA REQUEST](#)
- ★ [DEBT](#)
- ★ [NATIONAL PARK SERVICE](#)
- ★ [TRAINING OR CONFERENCE](#)
- ★ [MAKE A DONATION OR CONTRIBUTION](#)

COMMON PAYMENTS

Pay.gov processes payments for hundreds of Federal government agencies, the most common of which are listed below.

DEPARTMENT OF VETERAN AFFAIRS

[VA Medical Care Copayment](#)

SMALL BUSINESS ADMINISTRATION (SBA)

[View all SBA forms](#)

DEPARTMENT OF DEFENSE

[Out of Service Debt Account Information](#)

UNITED STATES COURTS

[Payment of Violation Notice](#)

UNITED STATES COAST GUARD

For the best website experience, please use Internet Explorer 9 or higher, Chrome, Firefox, or Safari.

[Log In](#) | [Register](#)

[MAKE A PAYMENT](#)[FIND AN AGENCY](#)[ONLINE HELP](#)

Alert Message: On Tuesday, September 16, 2014, some payments made using credit or debit cards through Pay.gov were inadvertently charged twice for a single transaction. Upon detection of the error, steps were immediately taken to correct and reverse these transactions. If you incurred an overdraft fee or any related charges due to this error, you will be fully reimbursed for those costs. If you have incurred unresolved fees, please call the Pay.gov Customer Support line at 1-800-624-1373. We regret any customer inconvenience and are fully committed to resolving this matter.

Make a Payment

Making payments through Pay.gov is free and secure. You'll need to fill out the correct online form. A form is a web page where you type in information about yourself and the payment.

Find a Form

To find the correct online form, you can:

1. Select from the list of commonly used forms:

DEPARTMENT OF VETERAN AFFAIRS

[VA Medical Care Copayment](#)

SMALL BUSINESS ADMINISTRATION (SBA)

[View all SBA forms](#)

DEPARTMENT OF DEFENSE

[Out of Service Debt Account Information](#)

UNITED STATES COURTS

[Payment of Violation Notice](#)

UNITED STATES COAST GUARD

[USCG Merchant Mariner User Fee Payment](#)

2. Search by keyword such as the type of payment, agency name, form name or number:

3. [Click here to view a listing of all forms](#)
4. [Click here to view a listing of all agencies](#)

If you received a notice that you have an electronic bill, you must have a Pay.gov user account to see your bill. If you already have an account, please [Log in](#); otherwise, click [Register](#) to create one.

Need Help?

Customer Service



Contact: Pay.gov Customer Service

Email: [Click to email](#)

Phone: 800-624-1373 or 216-579-2112

For the best website experience, please use Internet Explorer 9 or higher, Chrome, Firefox, or Safari.

Sort by | Relevance

Agency

- Interior (DOI):
Policy Mgmt and Budget (PMB)
Office of Natural Resources Revenue (4)

ONRR Acquisition Fees and Renewable Energy Payments

Use this form to pay BOEM acquisition fees for renewable energy noncompetitive leasing activities.

Form Number: ONRRRenewable Energy
Agency: Interior (DOI): Policy Mgmt and Budget (PMB) Office of Natural Resources Revenue

[View all forms for this agency](#)

[Continue to the Form](#)

ONRR Oil and Gas Initial ROW/RUE Rental Payments

Use this form to pay your Initial Rentals for Offshore ROW/RUE.

Form Number: ONRR Initial Rent RR
Agency: Interior (DOI): Policy Mgmt and Budget (PMB) Office of Natural Resources Revenue

[View all forms for this agency](#)

[Continue to the Form](#)

ONRR Renewable Energy Initial Rental Payments

Use this form to remit payment for the first year's rental amount on an OCS renewable energy lease.

Form Number: ONRRRenewEnergyInitialRental
Agency: Interior (DOI): Policy Mgmt and Budget (PMB) Office of Natural Resources Revenue

[View all forms for this agency](#)

[Continue to the Form](#)

ONRR Royalty and Invoice Payments

Use this form to remit payment for a Form MMS-2014 and any ONRR invoice.

Form Number: ONRR Royalty Invoice
Agency: Interior (DOI): Policy Mgmt and Budget (PMB) Office of Natural Resources Revenue



Contact: Pay.gov Customer Service

Email: [Click to email](#)

Phone: 800-624-1373 or 216-579-2112

Pay.gov Form



**United States Department of the Interior
Office of Natural Resources Revenue**

Royalty/Invoice Payment Form

**Required Field*

[Click for Instructions](#)

*Business Unit:

F (Federal Payment)

*Payor Code:

*Payor Name:

*Payment Type:

Royalty Payment

*PAD or Invoice Number:

*Total Amount Paid:

Submit Data

Clear all data below PAD or Invoice Number

Web address for Pay.gov Form/ Instructions

Available at:

<http://www.onrr.gov/ReportPay/payments.htm>

- Pay.gov FAQ, Instructions and Examples

www.pay.gov



What are the advantages?

- Available 24/7
- Direct debit authorization must be received before 8:55 P.M. Eastern Time if settlement is to occur as early as the next day—except for Federal Holidays and weekends
- Instant email confirmation
- If user registers at website, has ability to see all payment submissions
- No costs to payors



CHECKS

FEDERAL EXAMPLE

Name	Check #
Address	Date _____
City and State, Zip	
Pay to the Order of _____	\$ _____
\$ _____	_____ Dollars
Cust. ID	Signature
PAD/Invoice #	_____
Federal Indicator (Fed)	

Pay to the order of: **Office of Natural Resources Revenue**



Check comments:

Cust ID _____

PAD No. _____

Federal

CHECKS

INDIAN ALLOTTED EXAMPLE

Name	Check #
Address	Date _____
City and State, Zip	
Pay to the Order of _____	\$ _____
\$ _____	Dollars
Cust. ID	Signature
PAD/Invoice #	
* _____ Agency/Area (allotted)	
Indian Indicator (I)	_____
Fund Code (Distributee Code)	

Pay to the order of: Department of the Interior, Office of Natural Resources Revenue, **BIA Agency**

Check comments: Cust ID _____

PAD No. _____

* _____ Agency/Area (allotted)

Indian

Fund Code (Distributee Code)



CHECKS

INDIAN TRIBAL EXAMPLE

Name	Check #
Address	Date _____
City and State, Zip	
Pay to the Order of _____	\$ _____
\$ _____	Dollars
Cust. ID	Signature
PAD/Invoice #	
* _____ Tribe	
Indian Indicator (I)	_____
Fund Code (Distributee Code)	

Pay to the order of: Department of the Interior, ONRR for BIA

Check comments: Cust ID _____

PAD No. _____

* _____ Tribe

Indian

Fund Code (Distributee Code)



Wire/ACH Example

- Format Example

Federal

12345*12345678*F**

12345*INT123456789*F**

Indian

12345*12345678*I*123*

12345*INT123456789*I*123*

Rent Obligation-Courtesy Notice

44444*0540123450*F**



Submitting Wire/ACH Payments

- Submit a single WIRE/ACH transaction for each item you remit for automated matching
- Prepare a separate report and payment for your Federal and Indian leases
- Each Indian Fund (DC) Code requires a separate WIRE/ACH payment



TRIBAL LOCKBOX PAYMENTS (TPAYS)

Name	Check #
Address	Date-----
City and State Zip	
<i>Pay to the Order of</i> -----	
\$-----Dollars	
Cust. ID	Signature
Pad/Invoice #	-----
Indian Indicator (I)	
Indian Fund Code (Distributtee Code)	



Mail or fax a copy of the check or electronic payment information to your accountant if requested.

DEBT COLLECTION

- **Federal Debt Collection Follow-up**
 - Invoice is issued or a Royalty Document is received
 - Demand to Payor (DTP) issued 10 days from receipt of Form 2014 or due date of Invoice
 - Potential Treasury Referral (PTR) issued 10 days from due date of invoice
 - Notice of Demand (NOD) issued 30 days from due date of invoice or receipt date of Form 2014
 - To Dept. of Treasury 120 days from due date of the invoice or receipt date of the Form 2014.



DEBT COLLECTION

- **INDIAN DEBT COLLECTION FOLLOW-UP**

- DTP issued 20 day from receipt of Form 2014 or due date of Invoice.
- Potential Treasury Referral Letter 30 days from due date of invoice.
- To Dept. of Treasury 120 days from due date of invoice or receipt date of Form 2014.

Note: Can refer Indian debt sooner but must be at Treasury at 120 days



DEBT COLLECTION

Note: Effective October 1, 2014 we changed from 180 to 120 days for Treasury referral.

Reminder: There is a \$436.00 fee for each item referred to Treasury



e-Statement of Account

Financial Reports—Customer

**Financial Reports--Accounts
Receivable**

**History Reports---Industry Reports
Pages**



Office of Natural Resources Revenue

[FAQs and Refund Info](#) [Logout](#)

e-Statement of Account Search Page

* Required

*Customer ID:  Customer ID Lookup Tool

* Federal/Indian Account: Federal
 Indian

* Open/Closed Items: Open
 Closed

Item ID/Payment #: (The "%" character can be used as a wildcard)

Start Date:  (mm/dd/yyyy)

End Date:  (mm/dd/yyyy)

Office of Natural Resources Revenue

As of 8/19/2014 12:10:40 PM (EST)

[Return to Search](#)

[Logout](#)

[FAQs and Refund Info](#)

Federal Statement of Account - Open Items

ABC Company

Customer ID: 01234

To send instructions to your designated contact, click the "Add/View" button and submit annotation.

[Export](#)

Entry Type	Accounting/ Issue Date	Item ID/ Payment #	Amount Remaining	Original Amount	Dist Code	Hold Code	Document #/ Payment Reference	# of Ann.	Most Recent Annotation	Annotation History
PYMT	11/30/2009	097228	(\$589.16)							Add/View
PYMT	12/29/2009	098027	(\$416.90)							Add/View
PYMT	2/1/2010	098757	(\$158.10)							Add/View
PYMT	3/30/2010	OA-CHK100027:	(\$296.03)	(\$296.03)			DUPPMTINT100052542	2	Therefore, check 100027 is a duplicate payment.	Add/View
PYMT	3/7/2011	OA-CHK108442:	(\$8,634.25)	(\$8,634.25)			PDRNT-TERMINATED LEASES			Add/View
PYMT	12/16/2011	OA-CHK117581:	(\$6,612.00)	(\$6,612.00)			RNT100333173			Add/View
PYMT	12/10/2012	OA-CHK130330:	(\$6,552.00)	(\$6,552.00)			TERMMN111414/5			Add/View
Total of Above Items:			(\$23,258.44)							

Above Item Totals by Entry Type

INV	\$0.00
PYMT	(\$23,258.44)
ROYAL	\$0.00
<hr/>	
	(\$23,258.44)

There are no suspended items for selected parameters.

8. How do I add an Annotation?

1. Use the Search screen to find the Item or Payment ID that you would like to annotate. To find all items meeting the Search Criteria, leave the Item ID field blank.

Minerals Management Service Minerals Revenue Management

[FAQs and Refund Info](#)

Logout

e-Statement of Account Search Page

*** Required**

*Customer ID:  Customer ID Lookup Tool

*Federal/Indian Account: Federal
 Indian

*Open/Closed Items: Open
 Closed

Item ID/Payment #: (The "%" character can be used as a wildcard)

Start Date:  (mm/dd/yyyy)

End Date:  (mm/dd/yyyy)

Search

2. Once the item is found, the most recent annotation will display on this screen (See A). Click on the Add/View button (See B) to either view the annotation history, or to add an additional annotation.

2. Once the item is found, the most recent annotation will display on this screen (See A). Click on the Add/View button (See B) to either view the annotation history, or to add an additional annotation.

Minerals Management Service
Minerals Revenue Management

As of 9/17/2009 10:06:29 AM (EST) Return to Search Logout [FAQs and Refund Info](#)

Federal Statement of Account - Open Items
LAKE ENERGY CO

Customer ID: TESTZ To send instructions to your designated contact, click the "Add/View" button and submit annotation. Export

Entry Type	Accounting/ Issue Date	Item ID/ Payment #	Amount Remaining	Original Amount	Dist Code	Hold Code	Document #/ Payment Reference	# of Ann	Most Recent Annotation	Annotation History
INV	12/11/2009	FIN 100034687	\$400.00	\$400.00	BEH		FIN100034687	3	This is correct	Add/View

A **B**

3. Type the Annotation in the block provided. Click on the [Submit] button to record the annotation. Once it is submitted, the annotation cannot be changed. An Annotation notification will be sent immediately to your servicing accountant.

https://esoa.orn.gov/esoa/pages/Refund-FAQ.pdf - Windows Internet Explorer

https://esoa.orn.gov/esoa/pages/Refund-FAQ.pdf

Minerals Management Service Minerals Revenue Management

As of 8/17/2009 10:32:47 AM (EST) [Return to Statement](#) [Logout](#)

Customer ID: testz [FAQs and Refund Info](#)

Annotation History - Item ID (FINXXXXXX) LAKE ENERGY CO

Item Information:

Entry Type	Accounting/ Issue Date	Item ID/ Payment #	Amount Remaining	Dist Code	Hold Code	Document #/Payment Reference
BEV	12/11/2009	FINXXXXXX	\$400.00		BEH	FINXXXXXX

Add Annotation: (127 character limit) [Submit](#)

Annotation History: [Export](#)

Date Submitted	User ID	Annotation
8/7/2009	aloman	This is correct

Done Unknown Zone | Protected Mode: On

9. How do I delete Annotations?

Once you hit the [Submit] button, you cannot delete annotations. You could add another annotation explaining your error, or call the servicing accountant.

FEDERAL STATEMENT OF ACCOUNT OPEN ITEMS DESCRIPTIONS

- **Entry Type Explanations**

ROYAL = Payor Assigned Document Number (PAD) of 2014

INV = The ONRR-generated invoice number

PYMT = Check, ACH, TPAY or Wire number

OA = Portion of payment not applied to receivable
2014, invoice, etc.



FEDERAL STATEMENT OF ACCOUNT OPEN ITEMS DESCRIPTIONS

OA = Portion of payment not applied to
receivable

1/14/2014	CHK70017	(\$1,790.00)
1/31/2014	Form 2014	<u>1,110.00</u>
1/14/2014	OA-CHK70017	(\$ 680.00)

Assigned number of original check (or wire) preceded by
payment type.



FEDERAL STATEMENT OF ACCOUNT OPEN ITEMS DESCRIPTIONS

- **AMOUNT REMAINING** = Unpaid amount of a receivable or the current unused amount of a payment
- **ORIGINAL AMOUNT**= The original amount of the receivable or payment
- **DIST. CODE (INDIAN ONLY)** = Indian distribution code (Fund Code) for the Tribe/Allottee
- **HOLD CODE** = Receivable/Payment in hold status (appeal, bankruptcy, sent to Dept. of Treasury for collection, etc.)
- **ANNOTATIONS** = Your instructions to us regarding disposition of listed items

Questions?

