

# ONRR's Frequently Asked Questions – FAQs

**Q: How often does ONRR update the data on the website?**

**A:** We update our data annually. We update our Accounting Year Disbursement and Reported Revenue data after the close-out of the Fiscal Year (typically by November), and we update our Sales Year Reported Revenue data in mid-February.

**Q: When is the Federal government's Fiscal Year (FY)?**

**A:** The Federal government's Fiscal Year starts on October 1 and ends on September 30.

**Q: What are Reported Revenues?**

**A:** Reported revenues consist of royalties, rents, bonuses, and other revenues that mineral royalty payors report to ONRR. The royalty transactions include sales volumes, sales values and royalties.

**Q: What are Disbursements?**

**A:** Disbursements are payments that ONRR makes to American Indian Tribes and Allottees; States and their Counties, Parishes, and Boroughs; Federal agencies; various special purpose funds; and the U.S. Treasury. Disbursements originate from collected revenues. The royalty revenue sharing requirements associated with each lease provide the basis for the proper allocation and disbursement to each of the entities mentioned above.

**Q: What is the difference between Accounting Year and Sales Year data?**

**A:** Although they appear similar, there are key differences:

- Accounting Year data represent all transactions that ONRR accepted into our Financial System during a given fiscal year. This data set contains transactions for sales that took place in the current fiscal year, as well as adjusted or corrected transactions for sales that

took place in previous fiscal years. Because revenues are generally disbursed in the same year they were reported and accepted into ONRR's Financial System, Accounting Year data are most useful when analyzing dollars ONRR collected and disbursed in a given fiscal year. Because they include adjusted or corrected transactions for previous sales periods, Accounting Year data should not be used for trending purposes or for analyzing sales volumes.

- Sales Year data represent transactions for sales that took place in a given fiscal year and do not include adjusted or corrected transactions for sales that took place in previous fiscal years. This data set provides a "snap shot" of reported sales of mineral commodities, and is most useful when trending sales volumes or when making comparisons to production volumes. Because ONRR processes royalty transactions on a daily basis, the Sales Year data constantly changes. For this reason, the Sales Year data sets are published with an as-of date.

**Q: What are Non-revenue Volumes?**

**A:** Non-revenue volumes are sales volumes reported where no royalty is due. This type of reporting is for specific programs that are authorized by statute. For example:

- Deep Water Royalty Relief: <http://boem.gov/Oil-and-Gas-Energy-Program/Energy-Economics/Royalty-Relief/Index.aspx>
- Shallow Water Deep Gas Royalty Relief: <http://boem.gov/Oil-and-Gas-Energy-Program/Energy-Economics/Royalty-Relief/Index.aspx>
- Net Profit Share Leases (NPSL) are offshore leases where rather than paying a fixed royalty, the NPSL operator pays a fixed percentage of net profits: that is, revenues received from the sale of oil and gas, minus the cost of production. Under this system, the lessee recovers expenses of exploration and development, plus a reasonable return on that investment, before paying the Government.
- Strategic Petroleum Reserve Fill Initiative: <http://www.fossil.energy.gov/programs/reserves/#SPR>

**Q: What are Other Revenues?**

**A:** Several components are aggregated in the Other Revenues category, but the main contributors are:

- Minimum Royalty Payments
- Estimated Royalty Payments
- Settlement Agreements
- Interest

**Q: Why do the Historical Reported Revenue Summary and Detail documents end with Fiscal Year 2002 data?**

**A:** ONRR implemented a new automated Financial System in 2001. The 1982 through 2000 data are represented in a collection of reports that are no longer produced, and the 2001 through 2002 data was impacted by system data conversion issues. We manually compiled the pre-2003 data sets to provide an accurate and consistent level of historic reported revenue activity that cannot be derived by systematic means or to the level of detail that is available for the 2003-forward data.

**Q: What is 8(g)?**

**A:** The 1978 Outer Continental Shelf (OCS) Lands Act Amendments provided for certain coastal States and the Federal government to share revenues they earn from OCS leases. These leases are located in Federal waters beginning at the State's coastal boundary and ending 3 nautical miles seaward of the coastal boundary. The name of this three-mile-wide area is the "8(g) zone." The 1986 amendments to the OCS Lands Act require that the affected coastal State receives 27 percent of revenues generated from the leasing and development of Federal resources located in the 8(g) zone.

**Q: What is GOMESA?**

**A:** GOMESA is the acronym for the "Gulf of Mexico Energy Security Act" of 2006 (Pub. Law 109-432), which creates oil and gas revenue sharing provisions for the four Gulf producing States (Alabama, Louisiana, Mississippi, and Texas) and their eligible coastal political subdivisions. Details are available at <http://www.boem.gov/Oil-and-Gas-Energy-Program/Energy-Economics/Revenue-Sharing/Index.aspx>.

**Q: What is the difference between sales volume and production volume?**

**A:** Production volume is the volume of product extracted from the ground, while sales volume represents the volume of product that is eventually sold. For a variety of reasons, some volumes are produced and never sold, and some volumes are sold in a different year than the year in which they were produced. Some more common reasons for differences include the use of gas to power equipment on the lease, the re-injection of gas to maintain reservoir pressure, and oil that is produced into storage to be sold at a later date.

**Q: Where do I find Federal leasing statistics?**

**A:** Offshore: <http://www.boem.gov/BOEM-Newsroom/Offshore-Stats-and-Facts/Offshore-Stats-and-Facts.aspx>

Onshore:

[http://www.blm.gov/wo/st/en/prog/energy/oil\\_and\\_gas/statistics.html](http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/statistics.html)

**Q: How are royalty rates determined?**

**A:** Royalty rates are part of the lease terms for a particular lease. The Bureau of Land Management and Bureau of Ocean Energy Management determine these rates based upon Federal laws and regulations.