

Chapter 2

Reporting Overview

This chapter provides a reporting overview for ONRR royalty reporters. You should carefully follow these reporting instructions to avoid delays in acceptance of your reports and payments. If you have questions about these instructions, please contact Reporting & Solid Minerals Services. (For contact information, see Appendix A.)

2.1 Who Must Report and Pay

If you are a lessee on any Federal or Indian solid minerals lease, you are responsible for reporting and paying applicable rents, royalties, and other obligations to ONRR.

2.2 Leases Reported to ONRR

NOTE

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

Federal Leases

You must report to ONRR all Federal **producing** mineral leases on public domain, acquired, and military lands, regardless of the Federal agency administering the surface activities.

Indian Leases

Indian leases are those leases owned by any individual Indian or Alaska Native, Indian tribe, band, nation, pueblo, community, rancheria, colony, or other tribal group. These persons or individuals own lands or interest in the minerals, and title to these rights is either held in trust or subject to restriction against alienation by the United States.

You must report to ONRR all Indian producing leases, permits, or contracts on Indian tribal or allotted lands.

2.3 Which Form to Submit

2.3.1 **Form ONRR-4430, Solid Minerals Production and Royalty Report**

The Production & Royalty (P&R) Report is the tool that solid mineral lessees of Federal and/or Indian property use to report production, sales, royalty owed, and other obligations such as rent, advance royalty, etc. It is also used to make recoupments, and to make adjustments to previous reports. This system was designed to make reporting easier and quicker for you (our reporters), to streamline our business of matching money to reported payments, and as an aid in doing compliance on your properties.

The P&R reporting system consists of four parts:

- Original P&R Report

- Value Adjustments

- Other Obligations

- P&R Volume/Value Adjustment Report

The P&R reporting system is an internet-based electronic system that saves both you and us time and therefore money. It does this because of up-front error correction, and less document handling and processing. This system does not allow a lot of the common mistakes that we spent so much time correcting in the past. The reason many of the common mistakes do not occur is because most of the data is pre-populated and cross-referenced against our reference data base, which is the foundation of the system. Whenever things don't match, an error will occur. Also, being electronic, the P&R reporting system does not rely on the postal service, and it saves paper.

The P&R Report replaced the Form ONRR-2014, Report of Sales and Royalty Remittance, as well as parts of the obsolete Form ONRR-4059, Solid Minerals Operations Report (SMOR), and the obsolete Form ONRR-4060, Solid Minerals Facilities Report (SMFR) that were required prior to September 2001. There are only a few situations where Form ONRR-2014 is still required; they will be discussed in a later section. Also, this system does not use the codes for products, transactions, etc., that are required on Form ONRR-2014.

We now require production and sales reporting of all leases, including state and private leases, even though we do not calculate royalty owed on state or private leases. We require this additional state and fee lease volume information so we can make sure that you have properly calculated your sales volume and sales value allocations amongst all the leases within the mine.

The foundation of this system is our reference database. Most of what you input into the system is cross-referenced with our database, and that's how many errors are detected prior to submission. We spend a lot of time ensuring the accuracy of

this data, but every once in a while reporting problems can still be traced to inaccurate reference data. Whenever circumstances change at your mine, such as a new lease addition or royalty rate, you must let us know so we can contact the Bureau of Land Management or Bureau of Indian Affairs for confirmation, and then update the reference data base.

Unless your lease terms specify a different frequency for royalty payments, the P&R Report for sales must be submitted by the end of the month following the sales month on which you are reporting. ***Remember, it is the reporter's responsibility to report timely and correctly.***

2.3.2

Form ONRR-2014, Report of Sales and Royalty Remittance (special circumstances only)

1. If you need to make adjustments to reports submitted prior to August 2001 that were originally reported on the Form ONRR-2014, those adjustments must be completed on the 2014.
2. If you are recouping advance royalty that was originally reported on the ONRR Form-2014, then you must recoup on the 2014.
3. If your lease is not associated with a mine (stand-alone lease), you must report your lease-level obligations on the Form ONRR-2014.

2.4

Authorized Reporting Formats

We now require most reporters to submit data electronically. (See Electronic Reporting, Final Rule, 64 FR 38116, July 15, 1999, at our website, listed in Appendix A.)

If you are not required to report electronically, you may print copies of Form ONRR-4430 and/or Form ONRR-2014 from our website, which is listed in Appendix A. The copies must be 8½ inches high by 14 inches wide.

2.5

Record Retention Requirement

You are required to report to ONRR electronically. This does not change the requirement under 30 CFR 1212.50, which states that all Federal and Indian Records must be retained for a period of 6 years after the records are generated, unless the record holder is notified in writing that records must be maintained for a longer period.

2.6 Payment Requirements

Payments are authorized by 30 CFR 1218.50.

We do not accept cash payments.

NOTE

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

Electronic payments Our regulations require the use of electronic funds transfer (EFT), such as Automated Clearing House (ACH), Fedwire or Pay.gov, to the extent it is cost-effective and practical for payment of **any** royalty liability. For information or assistance with electronic payments, see Appendix A for contact information.

If you are not required to use EFT, use one of the payment documents outlined in 30 CFR 1218.51.

2.7 Due Dates for Reports and Payments

Royalties. Form ONRR-4430 and related payments are due to ONRR by 4:00 p.m. Mountain Time on or before the last day of the month following the month the product was sold or removed from the lease, unless lease terms state that royalties are due otherwise. For example, the report(s) and payment(s) for products sold or removed during November 2014 are due by 4:00 p.m. on December 31, 2014.

Rentals. Reports and payments for rents are due to ONRR by 4:00 p.m. Mountain Time on or before the lease anniversary date.

Minimum royalties. Reports and payments for minimum royalties are due to ONRR by 4:00 p.m. Mountain Time on or before the last day of the month and year of the lease year.

NOTE

If the last day of the month falls on a weekend or Federal holiday, send us the report and payment by 4:00 p.m. Mountain Time the next business day.

NOTE

We credit Form ONRR-4430 and/or Form ONRR-2014 reports and payments when we physically receive them at the appropriate address listed in Appendix A. The receipt date is the date we receive a document; the postmark does not apply.

2.8

Report Acceptance

ONRR accepts the financial information contained on reports and payments as correct, subject to an audit and/or compliance review. Do not send supporting documentation with your reports and payments unless we specifically request it. If requested, indicate the contact person who asked for the information on all supporting documentation.