



United States Department of the Interior

OFFICE OF NATURAL RESOURCES REVENUE

P.O. Box 25165
Denver, Colorado 80225-0165

OCT 14 2011

Dear Reporter:

This letter notifies you of a new ONRR eCommerce website edit to be implemented for the Form MMS-2014 in November 2011.

The edit will not allow net negative lines for a lease within an Indian royalty document. This will improve the accuracy of data reported to ONRR and ensure payments to Indian recipients are correct. The edit will run for all transaction codes on Indian leases only. The edit will sum the lines by lease within each MMS-2014 submitted. If the reported lines for a lease result in a net negative, the lines will reject with a fatal error. The number of the new edit will be 9748 and the fatal error message will read "Indian lease total is less than zero".

Adjustments to Indian lines must be submitted on the MMS-2014 in accordance with Indian recoupment regulations at 30 CFR § 218.53. These regulations ensure recoupments from tribal and allotted leases never result in a net negative. This edit will also prevent companies from listing all their Indian negative adjustments on one royalty report and their Indian positive adjustments on another royalty report.

We are also looking at preventing Federal reports from having all the negative adjustments on one royalty report and all the positive adjustments on another royalty report. Reporting positive and negative lines on separate royalty reports causes disbursement and interest calculation problems.

If you have questions on the above enhancements or regulations, please contact your Royalty Error Correction contact. A list of companies and contacts can be found on the ONRR website at <http://www.onrr.gov/FM/PDFDocs/coassign.pdf>.

Sincerely,

Lorraine F. Corona
Reporting Services Manager