

United States Department of the Interior

OFFICE OF NATURAL RESOURCES REVENUE

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

AUG 2 1 2015

Subject: Elimination of Courtesy Notices for Federal Oil, Gas, and Geothermal Obligations

Dear Payor:

On January 5, 2015, ONRR launched a new tab on the eCommerce website called "Rental Information." This tab provides a streamline method to make federal rental payments, other than first year rents for Federal Oil, Gas, and Geothermal leases. In the January 5, 2015, Dear Reporter letter, we stated:

- ONRR will eliminate Courtesy Notice printing and mailing within a year of the notice in order to save costs.
- ONRR will also eliminate the ability to report terminable leases on form ONRR-2014 with the sales month of December 2015.

ONRR will be eliminating the mailing of courtesy notices on September 1, 2015 for those obligations due November 1, 2015 and eliminate the ability to report for terminable leases on Form ONRR-2014.

Reporting Instructions for Federal Oil, Gas, and Geothermal Obligations

Rentals

Payors can remit rental payments (other than first year rentals) on the newly launched tab on eCommerce website called "Rental Information". This tab provides a streamline method to make federal oil, gas, and geothermal rental payments.

Refer to the following link for in-depth instructions on how to make rental payments using on-line: http://www.onrr.gov/ReportPay/payments.htm; scroll down to Rent Payments – Federal.

Gas Storage Fees

The Federal government may charge you to use subsurface storage. Use transaction code 17 to report the flat fee due on Federal and Indian storage agreements.

For further reporting guidance and requirements refer to the Minerals Reporter Handbook Chapter 4 page 4-96.

The Minerals Reporter Handbook can be found at: http://www.onrr.gov/ReportPay/Handbooks/default.htm.

Well Fees

Use transaction code 16 to report and pay well fees. Lease and contract terms may require you to report and pay fees on wells located on certain leases.

For further reporting guidance and requirements refer to the Minerals Reporter Handbook Chapter 4 page 4-93 for complete reporting requirements.

The Minerals Reporter Handbook can be found at: http://www.onrr.gov/ReportPay/Handbooks/default.htm.

If you have any questions regarding on-line rental, please contact Ms. Michelle Jones at 303-231-3812 or Ms. Trisha Potter at 303-231-3699.

If you have any questions regarding the Form ONRR-2014, please contact Ms. Mary Dietrick at 303-231-3318.

Sincerely,

Jim Steward

Program Director

Financial and Production Management