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[4310-T2]

DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

[Docket No. ONRR-2011-0012]

Major Portion Prices and Due Date for Additional Royalty Payments on Indian Gas Production in Designated Areas Not Associated with an Index Zone

AGENCY: Office of Natural Resources Revenue, Interior.

ACTION: Notice.

SUMMARY: Final regulations for valuing gas produced from Indian leases, published August 10, 1999, require the Office of Natural Resources Revenue (ONRR) to determine major portion prices and notify industry by publishing the prices in the *Federal Register*. The regulations also require ONRR to publish a due date for industry to pay additional royalties based on the major portion prices. This notice provides major portion prices for the 12 months of calendar year 2010.

DATES: The due date to pay additional royalties based on the major portion prices is **(INSERT DATE 60 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*)**.

FOR FURTHER INFORMATION CONTACT: John Barder, Manager, Team B, Western Audit and Compliance, ONRR; telephone (303) 231-3702; fax number (303) 231-3473; e-mail John.Barder@onrr.gov; or Mike Curry, Team B, Western Audit and Compliance, ONRR; telephone (303) 231-3741; fax (303) 231-3473; e-mail Michael.Curry@onrr.gov. Mailing address: Office of Natural Resources Revenue, Western Audit and Compliance Management, Team B, P.O. Box 25165, MS 62520B, Denver, Colorado 80225-0165.

SUPPLEMENTARY INFORMATION: On August 10, 1999, ONRR published a final rule titled “Amendments to Gas Valuation Regulations for Indian Leases” effective January 1, 2000 (64 FR 43506). The Indian gas valuation regulations apply to all gas production from Indian (tribal and allotted) oil and gas leases, except leases on the Osage Indian Reservation.

The regulations require ONRR to publish major portion prices for each designated area not associated with an index zone for each production month beginning January 2000, and a due date for additional royalty payments. See 30 CFR 1206.174(a)(4)(ii) (2011). If you owe additional royalties based on a published major portion price, you must submit to ONRR by the due date an amended Form MMS-2014, Report of Sales and Royalty Remittance. If you do not pay the additional royalties by the due date, ONRR will bill you late payment interest under 30 CFR 1218.54. The interest will accrue from the due date until ONRR receives your payment and an amended Form MMS-2014.

The table below lists the major portion prices for all designated areas not associated with an index zone. The due date is 60 days after the publication date of this notice.

**GAS MAJOR PORTION PRICES (\$/MMBtu) FOR DESIGNATED AREAS
NOT ASSOCIATED WITH AN INDEX ZONE**

ONRR-Designated Areas	Jan 2010	Feb 2010	Mar 2010	Apr 2010
Blackfeet Reservation	5.00	4.62	3.68	3.39
Fort Belknap Reservation	5.86	5.72	5.35	4.98
Fort Berthold Reservation	5.34	5.07	4.39	3.96
Fort Peck Reservation	8.21	7.64	6.76	6.22
Navajo Allotted Leases in the Navajo Reservation	5.95	5.48	4.65	3.82
Rocky Boys Reservation	3.90	3.67	2.81	2.50
Ute Tribal Leases in the Uintah and Ouray Reservation	5.30	4.95	4.16	3.37

ONRR-Designated Areas	May 2010	Jun 2010	Jul 2010	Aug 2010
Blackfeet Reservation	3.39	3.69	3.21	2.97
Fort Belknap Reservation	4.99	5.09	5.20	5.10
Fort Berthold Reservation	3.81	3.64	3.75	4.51
Fort Peck Reservation	6.22	5.56	6.30	6.72
Navajo Allotted Leases in the Navajo Reservation	3.81	3.83	4.21	4.01
Rocky Boys Reservation	2.47	2.67	2.27	2.13
Ute Tribal Leases in the Uintah and Ouray Reservation	3.44	3.47	3.68	-

ONRR-Designated Areas	Sep 2010	Oct 2010	Nov 2010	Dec 2010
Blackfeet Reservation	3.16	2.94	3.33	3.57
Fort Belknap Reservation	5.10	4.73	4.75	5.32
Fort Berthold Reservation	3.86	4.00	3.90	4.49
Fort Peck Reservation	3.90	4.76	5.56	6.16
Navajo Allotted Leases in the Navajo Reservation	3.34	3.47	3.39	4.13
Rocky Boys Reservation	2.24	2.16	2.46	2.60
Ute Tribal Leases in the Uintah and Ouray Reservation	-	-	-	-

Note: By tribal resolution, the Ute Indian Tribe requested ONRR to change the Ute tribal leases in the Uintah and Ouray Reservation from valuation under the major portion pricing provisions to index zone pricing. We approved the Ute Indian Tribe's request; therefore, you must value production from Ute tribal leases in the Uintah and Ouray Reservation under index zone pricing, effective August 1, 2010. See *Federal Register* notice (75 FR 30430) published June 1, 2010.

For information on how to report additional royalties associated with major portion prices, please refer to our Dear Payor letter dated December 1, 1999, on our website at <http://www.onrr.gov/FM/PDFDocs/991201.pdf>

__ March 2, 2012 __

Date

Gregory J. Gould
Director,
Office of Natural Resources Revenue

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