



[4335-30]

**DEPARTMENT OF THE INTERIOR**

**Office of Natural Resources Revenue**

[Docket No. **ONRR-2011-0009; DS63644000 DRT000000.CH7000 201D1113RT;**

**OMB Control Number 1012-0008]**

**Agency Information Collection Activities; Collection of Monies Due the Federal Government**

**AGENCY:** Office of Natural Resources Revenue, Interior.

**ACTION:** Notice of information collection; request for comment.

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**SUMMARY:** The Office of Natural Resources Revenue (ONRR) is proposing to renew an information collection. Through this Information Collection Request (ICR), ONRR seeks renewed authority to collect information related to the paperwork requirements under its regulations covering cross-lease netting in the calculation of late-payment interest; a lessee's designation of designee; and Tribal permission for recoupment on Indian oil and gas leases.

**DATES:** Interested persons are invited to submit comments on or before **[INSERT DATE 60 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

**ADDRESSES:** Send your comments on this information collection request (ICR) by mail to Mr. Luis Aguilar, Regulatory Specialist, ONRR, Building 85, MS 64400B, Denver Federal Center, West 6th Ave. and Kipling St., Denver, Colorado 80225, or by

email to *Luis.Aguilar@onrr.gov*. Please reference Office of Management and Budget (OMB) Control Number 1012-0008 in the subject line of your comments.

**FOR FURTHER INFORMATION CONTACT:** To request additional information about this ICR, contact Mr. Hans Meingast, Financial Services, FM, ONRR by email at *Hans.Meingast@onrr.gov* or by telephone at (303) 231-3221. To inquire about form ONRR-4425, please contact Ms. April Lockler, Reference & Reporting Management (RRM), ONRR by email at *April.Lockler@onrr.gov* or by telephone at (303) 231-3105.

**SUPPLEMENTARY INFORMATION:** In accordance with the PRA and 5 CFR 1320.8(d)(1), all information collections require approval under the PRA. ONRR may not conduct or sponsor and you are not required to respond to a collection of information unless it displays a currently valid OMB control number.

As part of our continuing effort to reduce paperwork and respondent burdens, ONRR is inviting the public and other Federal agencies to comment on new, proposed, revised, and continuing collections of information. This helps ONRR to assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

ONRR is especially interested in public comments addressing the following:

- (1) Whether or not the collection of information is necessary for the proper performance of the functions of the agency, including whether or not the information will have practical utility;
- (2) The accuracy of our estimate of the burden for this collection of information, including the validity of the methodology and assumptions used;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected;  
and

(4) How might the agency minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of response.

Comments that you submit in response to this notice are a matter of public record. ONRR will include or summarize each comment in its request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

*Abstract:* The Secretary of the United States Department of the Interior is responsible for mineral resource development on Federal and Indian lands and the Outer Continental Shelf (OCS). Under various laws, the Secretary's responsibility is to carry out a comprehensive inspection, collection, and fiscal and production accounting and auditing system that provides the capability to: (1) accurately determine mineral royalties, interest, and other payments owed, (2) collect and account for such amounts in a timely manner, and (3) disburse the funds collected.

The Secretary also has a trust responsibility to seek advice and information from Indian beneficiaries. ONRR performs the minerals revenue management functions for the

Secretary and assists the Secretary in carrying out the Department's trust responsibility for Indian lands.

The laws pertaining to mineral leases on Federal and Indian lands and the OCS are posted at [http://www.onrr.gov/Laws\\_R\\_D/PubLaws/default.htm](http://www.onrr.gov/Laws_R_D/PubLaws/default.htm).

(a) *General Information:* When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees to pay the lessor a royalty share in value or volume of production from the leased lands. The lessee also agrees to report certain information to the lessor related to the disposition of the minerals. This information is generally available within a lessee's records or others involved in developing, transporting, processing, purchasing, or selling Federal and Indian minerals. The information collected includes data necessary to ensure correct product valuation and royalty payments.

(b) *Information Collections:* This ICR covers unique reporting circumstances under 30 CFR part 1218 addressing (1) cross-lease netting in the calculation of late-payment interest; (2) a lessee's designation of designee; and (3) Tribal permission for recoupment on Indian oil and gas leases.

(1) *Cross-Lease Netting in Calculation of Late-Payment Interest:* Regulations under § 1218.54 require ONRR to assess interest on unpaid or underpaid amounts. ONRR distributes late-payment interest revenues to States, Indian Tribes, and the U.S. Treasury based on financial lease distribution information. Current regulations under § 1218.42 provide that an overpayment on a lease or leases may be offset against an underpayment on a different lease or leases to determine the net payment subject to interest when certain conditions are met. ONRR calls this process cross-lease netting. The payor must

demonstrate that a cross-lease netting exception exists by submitting production reports, pipeline allocation reports, or other similar documentary evidence. This information is necessary for ONRR to calculate the correct interest amount and ensure that it collects in full all monies owed to the Federal Government.

(2) *Designation of Designee:* The Federal Oil and Gas Royalty Management Act (FOGRMA) defines a “lessee” to include the record-title holder and also any operating-rights owners if those rights were severed from the record title. *See* 30 U.S.C. 1702(7). FOGRMA states that operating-rights owners are primarily liable and record-title owners are secondarily liable for payment obligations on Federal oil and gas leases. *See* 30 U.S.C. 1712(a). A lessee may designate a person to make payments on its behalf. To do so, FOGRMA requires the lessee to “notify the Secretary . . . in writing of such designation.” ONRR created form ONRR-4425, Designation Form for Royalty Payment Responsibility, to request the information necessary for a lessee to comply with FOGRMA’s requirement to designate a designee. ONRR requires this information to ensure proper mineral revenue collection.

(3) *Tribal Permission for Recoupment on Indian Oil and Gas Leases:* A lessee may recoup overpayments on Tribal Indian leases against royalties or other revenues owed in a month on other leases where that Tribe is the lessor. To do so, lessees must comply with § 1218.53(b), which requires a lessee to receive a Tribe’s written permission to recoup overpayments on one lease against another lease where that Tribe is the lessor. The payor must provide ONRR with a copy of the Tribe’s written permission.

*Title:* Collection of Monies Due the Federal Government.

*OMB Control Number:* 1012-0008.

*Bureau Form Number:* Form ONRR-4425.

*Type of Review:* Extension of a currently approved collection.

*Respondents/Affected Public:* Federal and Indian lessees.

*Total Estimated Number of Annual Respondents:* 35.

*Total Estimated Number of Annual Responses:* 35.

*Estimated Completion Time per Response:* 1.68 hrs.

*Total Estimated Number of Annual Burden Hours:* 59 hours.

*Respondent's Obligation:* Mandatory.

*Frequency of Collection:* Occasion.

*Total Estimated Annual Nonhour Burden Cost:* We have identified no “non-hour cost” burden associated with this collection of information.

An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

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Kimbra G. Davis

*Director, Office of Natural Resources Revenue.*

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