



[4335-30]

DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

[Docket No. ONRR-2011-0009; DS63644000 DRT000000.CH7000 212D1113RT;

OMB Control Number 1012-0008]

Agency Information Collection Activities; Collection of Monies Due the Federal Government; and Processing Refund Requests Related to Overpayments Made to ONRR

AGENCY: Office of Natural Resources Revenue, Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, the Office of Natural Resources Revenue (ONRR) is proposing to renew an information collection with revisions. Through this Information Collection Request (ICR), ONRR seeks authority to collect information related to the paperwork requirements covering cross-lease netting in the calculation of late-payment interest; a lessee's designation of designee for payment obligations; tribal permission for recoupment on Indian oil and gas leases; and refund requests for overpayments made to ONRR.

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 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 Management, 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, ONRR by email at April.Lockler@onrr.gov or by telephone at (303) 231-3105. To inquire about refund requests, please contact Jennifer Dougherty, Revenue, Reporting, and Compliance Management, ONRR by email at Jennifer.Dougherty@onrr.gov or by telephone at (303) 231-3563.

SUPPLEMENTARY INFORMATION: In accordance with the Paperwork Reduction Act of 1995 (PRA, 44 U.S.C. 3501 *et seq.*) 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 responsibilities include maintaining 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. ONRR performs these mineral revenue management functions for the Secretary.

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.

(a) *General Information:* ONRR collects, audits, and disburses royalties, interest, and other payments owed by lessees on minerals produced from Federal and Indian lands. If a lessee overpays the amount due on minerals produced from Federal lands, it may request a refund from ONRR. If a lessee overpays the amount due on minerals produced from tribal lands, it may, with the tribe's permission, recoup the overpayment against other royalties or other revenues owed in that month under other leases for which that tribe is the lessor. If a lessee fails to pay or underpays an amount it owes on Federal or Indian mineral production, it generally must pay interest on the underpayment from the date the payment was due. For royalties and other amounts owed on oil and gas produced from Federal lands, the Federal Oil and Gas Royalty Management Act (FOGRMA, 30 U.S.C. 1701 *et seq.*) permits a lessee to designate a designee for its payment obligations.

(b) *Information Collections:* This ICR covers certain information required pursuant to FOGRMA and 30 CFR part 1218 for (1) cross-lease netting in the calculation of late-payment interest; (2) a lessee's designation of designee for payment obligations; (3) tribal permission for recoupment on Indian oil and gas leases; and (4) refund requests for overpayments made to ONRR.

(1) *Cross-Lease Netting in Calculation of Late-Payment Interest*: Pursuant to 30 CFR 1218.42(b), if certain conditions are met, “[r]oyalties attributed to production from a lease or leases which should have been attributed to production from a different lease or leases may be offset to determine whether and to what extent an underpayment exists on which interest is due” ONRR calls this process cross-lease netting. To determine whether a lessee is entitled to cross-lease netting, ONRR must collect lease, production, payor, recipient, and other information specified in 30 CFR 1218.42(b). This information is necessary for ONRR to calculate the correct interest amount.

(2) *Designation of Designee for Payment Obligations*: FOGRMA allows a lessee to notify the Secretary in writing of its designation of “a person to make all or part of the payments due under a lease on the lessee’s behalf . . . in which event said designated person may, in its own name, pay, offset or credit monies, make adjustments, request and receive refunds and submit reports with respect to payments required by the lessee.” *See* 30 U.S.C. 1712(a). ONRR created form ONRR-4425, Designation Form for Royalty Payment Responsibility, for lessees to notify it of such designation. ONRR requires the information required in this form to ensure proper mineral revenue collection.

(3) *Tribal Permission for Recoupment on Indian Oil and Gas Leases*: Pursuant to 30 CFR 1218.53(b), a payor may, with written permission authorized by tribal statute or resolution, recoup an overpayment against royalties or other revenues owed in that month under other leases for which that tribe is the lessor. *See* 30 CFR 1218.53(b). The payor must provide ONRR with a copy of the tribe’s written permission. *Id.*

(4) *Processing Refund Requests*: FORGMA authorizes a Federal oil and gas lessee to request a refund for an overpayment in certain situations. *See* 30 U.S.C. 1721a(b).

FOGRMA requires the lessee to supply certain information to support its refund request.

Id. ONRR collects certain banking information from the refund recipient in order to disburse the overpaid amount to the correct account.

Title: Collection of Monies Due the Federal Government; and Processing Refund Requests Related to Overpayments Made to ONRR

OMB Control Number: 1012-0008.

Bureau Form Number: Form ONRR-4425.

Type of Review: Revision of a currently approved collection.

Respondents/Affected Public: Federal and Indian lessees.

Total Estimated Number of Annual Respondents: 170.

Total Estimated Number of Annual Responses: 170.

Total Estimated Number of Annual Burden Hours: 93.75 hours.

Respondent's Obligation: Mandatory.

Frequency of Collection: On occasion.

Total Estimated Annual Non-hour 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 PRA.

Kimbra G. Davis,

Director, Office of Natural Resources Revenue.

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