



DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

[Docket No. ONRR-2011-0020; DS63644000 DR2000000.CH7000 212D1113RT;

OMB Control Number 1012-0004]

Agency Information Collection Activities: Royalty and Production Reporting

AGENCY: Office of Natural Resources Revenue (“ONRR”), Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (“PRA”), ONRR is proposing to renew an information collection. Through this Information Collection Request (“ICR”), ONRR seeks renewed authority to collect information used to verify, audit, collect, and disburse royalty owed on oil, gas, and geothermal resources produced from Federal and Indian lands. ONRR uses forms ONRR-2014, ONRR-4054, and ONRR-4058 as part of these information collection requirements.

DATES: You must submit your written comments on or before **(INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*).**

ADDRESSES: All comment submissions must (1) reference “OMB Control Number 1012-0004” in the subject line; (2) be sent to ONRR before the close of the comment period listed under **DATES**; and (3) be sent through one of the following two methods:

- *Electronically via the Federal eRulemaking Portal:* Please visit <https://www.regulations.gov>. In the Search Box, enter the Docket ID Number for this ICR renewal (“ONRR-2011-0020”) and click “search” to view the publications associated with the docket folder. Locate the document with an open comment period and click the “Comment Now!” button. Follow the prompts to submit your comment prior to the close of the comment period.

- *Email Submissions:* Please submit your comments to

ONRR_regulationsmailbox@onrr.gov with the OMB Control Number (“OMB Control Number 1012-0004”) listed in the subject line of your email. Email submissions must be postmarked on or before the close of the comment period.

Docket: To access the docket folder to view the ICR **Federal Register** publications, go to <https://www.regulations.gov> and search “ONRR-2011-0020” to view renewal notices recently published in the **Federal Register**, publications associated with prior renewals, and applicable public comments received for this ICR. ONRR will make the comments submitted in response to this notice available for public viewing at <https://www.regulations.gov>.

OMB ICR Data: OMB also maintains information on ICR renewals and approvals. You may access this information at <https://www.reginfo.gov/public/do/PRASearch>. Please use the following instructions: Under the “OMB Control Number” heading enter “1012-0004” and click the “Search” button located at the bottom of the page. To view the ICR renewal or OMB approval status, click on the latest entry (based on the most recent date). On the “View ICR—OIRA Conclusion” page, check the box next to “All” to display all available ICR information provided by OMB.

FOR FURTHER INFORMATION CONTACT: To request additional information about this ICR, please contact Donna Myles, Reference & Reporting Management, ONRR, by email at Donna.Myles@onrr.gov or by telephone (214) 640-9057.

Individuals who are hearing or speech impaired may call the Federal Relay Service at 1–800–877–8339 for TTY assistance.

SUPPLEMENTARY INFORMATION: Pursuant to the PRA, 44 U.S.C. 3501, *et seq.*, and 5 CFR 1320.5, all information collections, as defined in 5 CFR 1320.3, require approval by OMB. 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 ONRR's 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 in accordance with the PRA and 5 CFR 1320.8(d)(1). This helps ONRR to assess the impact of its information collection requirements and minimize the public's reporting burden. It also helps the public understand ONRR's information collection requirements and provide the requested data in the desired format.

ONRR is especially interested in public comments addressing the following:

(1) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of ONRR's 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 ONRR in your comment to withhold your

personal identifying information from public review, ONRR cannot guarantee that it will be able to do so.

Abstract: (a) General Information: The Federal Oil and Gas Royalty Management Act of 1982 (“FOGRMA”) directs the Secretary of the Interior (“Secretary”) to “establish a comprehensive inspection, collection and fiscal and production accounting and auditing system to provide the capability to accurately determine oil and gas royalties, interest, fines, penalties, fees, deposits, and other payments owed, and to collect and account for such amounts in a timely manner.” See 30 U.S.C. 1711. ONRR performs these and other mineral revenue management responsibilities for the Secretary. See U.S. Department of the Interior Departmental Manual, 112 DM 34.1 (Sept. 9, 2020). ONRR uses the production, royalty, and other information collected in this ICR to ensure that a lessee properly pays royalty and other mineral revenues due on oil, gas, and geothermal resources produced from Federal and Indian lands. ONRR also shares the data with the Bureau of Safety and Environmental Enforcement, Bureau of Ocean Energy Management, Bureau of Land Management, Bureau of Indian Affairs, and Tribal and State governments for their land and lease management responsibilities. The requirement to report accurately and timely is mandatory. Please refer to the chart for all reporting requirements and associated burden hours.

(b) Information Collections: This ICR covers the paperwork requirements under 30 CFR part 1210, subparts B, C, and D, and part 1212, subpart B as follows:

(1) Royalty Reporting: Regulations at 30 CFR part 1210, subparts B and D and part 1212, subpart B, require a lessee to report and remit royalty on oil, gas, and geothermal resources, and to make, retain, and, upon request, provide for inspection accurate and complete records demonstrating proper royalty and other payment. A lessee submits ONRR form 2014, *Report of Sales and Royalty Remittance*, monthly to report royalty on oil, gas, and geothermal leases. Each line contains the royalty owed and the basic

elements necessary to calculate the royalty, such as lease number, agreement number, unit number, product code, sales type, sales volume, sales value, processing allowances, transportation allowances, royalty value prior to allowances, and royalty value less allowances. A lessee also uses the form to report certain rents.

(2) *Production Reporting*: Regulations at 30 CFR part 1210, subparts C and D and part 1212, subpart B, require an operator to submit production reports if it operates a Federal or Indian oil and gas lease or federally approved unit or communitization agreement, and to make, retain, and, upon request, provide for inspection accurate and complete records for demonstrating royalty payment. An operator uses the following forms for production accounting and reporting:

(i) *Form ONRR-4054, Oil and Gas Operations Report*: An operator submits this report monthly. Part A tracks the oil and gas volume produced from each Federal or Indian well. Part B tracks disposition of the oil and gas. Part C tracks the oil and gas inventory on the property. ONRR compares the production information with the sales and other royalty data that a lessee submits on form ONRR-2014 to ensure that the lessee paid and reported the proper royalty on the reported oil and gas production. ONRR also uses the information from parts A, B, and C to track all oil and gas from the point of production to the point of first sale or other disposition.

(ii) *Form ONRR-4058, Production Allocation Schedule Report*: Unless certain conditions are met, an operator must submit this report if it operates an offshore facility measurement point (FMP) handling production from a Federal oil and gas lease or federally approved unit agreement that is commingled (with approval) with production from any other source prior to measurement for royalty determination. The report is filed monthly to allocate the production to each source. ONRR uses the data to verify accurate production and royalty reporting.

Title of Collection: Royalty and Production Reporting.

OMB Control Number: 1012-0004.

Form Numbers: ONRR-2014, ONRR-4054, and ONRR-4058.

Type of Review: Extension of a currently approved collection.

Respondents/Affected Public: Businesses.

Total Estimated Number of Annual Respondents: 3,048 oil, gas, and geothermal reporters.

Total Estimated Number of Annual Responses: 11,929,280 lines of data.

Estimated Completion Time per Response: Varies between 1 and 7 minutes per line, depending on the activity. The average completion time is 1.69 minutes per line. The average completion time is calculated by first multiplying the estimated annual burden hours from the table below (337,933) by 60 to obtain the total annual burden minutes. Then the total annual burden minutes (20,275,980) is divided by the estimated annual number of lines submitted from the table below (11,929,280).

Total Estimated Number of Annual Burden Hours: 337,933 hours.

Respondent's Obligation: Mandatory.

Frequency of Collection: Monthly.

Total Estimated Annual Non-Hour Burden Cost: ONRR 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 (44 U.S.C. 3501, *et seq.*).

Kimbra G. Davis,
Director, Office of Natural Resources Revenue.

